

# Indian Central Cotton Committee.



## GENERAL REPORT

ON

## EIGHT INVESTIGATIONS

INTO THE

## FINANCE AND MARKETING

OF

## CULTIVATORS' COTTON.

BOMBAY :

C. V. THOMAS, STRAND ROAD.

## **PREFACE.**

This report is an attempt to compare and, as far as possible, bring to a common denominator the conditions under which the cotton crop is financed and marketed in seven of the most important cotton growing areas in India. The data have been collected from eight investigations carried out by the Agricultural Departments of four Provinces from funds supplied by the Indian Central Cotton Committee. The tracts selected were Berar, Khandesh (two investigations), North Gujerat, Middle Gujerat, Sind, the Punjab and the Northern and Western area of Madras. With the exception of the second enquiry in Khandesh, the results of which confirm most of the findings of the investigation undertaken in 1926-27, a separate report has been published on each and these may be referred to for details. The points of difference in the two Khandesh enquiries have been noted in the report of the Special Sub-Committee which has been printed as an addendum to the first report.

It must be kept clearly in mind that the investigations dealt only with the cotton crop and no attempt was made to make a complete survey of rural economics. To students of economics, the reports may be of doubtful value as economic studies, but to the Committee they have supplied much valuable and interesting information on the crop with which it is primarily concerned. The Committee is fully aware of the limitations of the reports, and the idea underlying their publication is rather to stimulate thought and further action than to provide an accurate picture of, say, the financial status of the cultivator. Readers are asked to form their own conclusions from the information and data presented.

The Special Sub-Committee of the Indian Central Cotton Committee appointed to deal with the separate reports deem it advisable to draw attention to certain points in the reports on which a wrong interpretation might easily be placed.

In the first place they wish to make it clear that though they consider the reports give a faithful idea of the conditions prevailing in the provinces, they cannot guarantee the details. It will be understood that in an investigation of this nature suspicion of the objects underlying the enquiry might prevent cultivators from giving full and exact information on all the points included in the questionnaire.

The reports would seem to indicate that the grower was in a much better economic position than he really is. It must not be forgotten, however, that, speaking generally, he has had eight continuous good years and the traditional bad year following three good years has not been operative during that period. The fact that he does not borrow money to harvest and market his crop must not be construed as meaning that he is well off and does not require financial assistance. A late season, as was experienced in the second enquiry in Khandesh, places him in a different light and when assessments have to be paid borrowing has to be resorted to.

The comparatively small part played in finance by Co-operative Credit Societies in most of the areas must not be taken as signifying that

no attempt has been made by the Co-operative Department to finance the growers. Most of them are reported to be in such a state of insolvency that nobody but a *sowcar* charging a high rate of interest will take the risk of advancing money to them. The Sub-Committee understands that the Bombay Provincial Co-operative Bank has had to invest as much as a crore of rupees in Government securities and in deposits with other Banks owing to the difficulty of finding a safe outlet for this money in financing the agriculturist.

The table of the rates of interest given on page 17 of the Report must not be taken as the maxima but should be read in conjunction with the subsequent para. which gives an idea of the other charges invariably made by *sowcars*. The rates given in the table do not, for example, take into account the 'discount' usually charged by *sowcars* which, in many cases, amounts to a further 5 to 10 per cent. Quite apart from these extra exactions 45 per cent of the money required for financing the growing of the crop borrowed at rates between 12 and 50 per cent and over—a burden under which no industry can be expected to prosper.

The first set of three reports was summarized and written up by Mr. W. J. Jenkins, Deputy Secretary, and the remainder, including the general report, were worked up by Mr. K. J. Khambata, M.A., LL.B., who was employed by the Committee specially for the work.

J. H. RITCHIE,

*Secretary.*



# General Report on Eight Enquiries into the Finance and Marketing of Cultivators' Cotton. 1925-28.

CONTENTS.		PAGE.
I.	Introductory .. .. .	2
II.	Finance .. .. .	8
III.	Village Sales .. .. .	21
IV.	Markets .. .. .	33
V.	Tables .. .. .	..
(I)	Number of Villages, Markets, Sellers and Cultivators examined .. .. .	49
(II)	Number of Proprietors and Tenants, and Rent Systems .. .. .	50
(III)	Size of Holdings and of Cotton Areas .. .. .	51
(IV)	Approximate Total and Average Yield of <i>Kapas</i> .. .. .	52
(V)	Varieties of Cotton Grown .. .. .	53
(VI)	Sources of Seed Supply .. .. .	54
(VII)	Total and Average Borrowings .. .. .	55
(VIII)	Sources of Advances .. .. .	56
(IX)	Amounts borrowed at various rates of interest .. .. .	57
(X)	Amounts sold in Village and in Market in the Early and Late Periods .. .. .	58
(XI)	Number of cultivators who sold in the Village and in the Market in the Early and Late Periods .. .. .	59
(XII)	Market Investigation .. .. .	60
ppendices—		
Appendix	A.—Questionnaire issued by the Sub-Committee in connection with its Preliminary Inquiry .. .. .	61
„	B.—Summary of the Replies received in answer to the Preliminary Questionnaire .. .. .	62
„	C.—Questionnaire relating to the Village Investigations .. .. .	67
„	D.—Questionnaire relating to Market Investigations .. .. .	72
„	E.—(a) Names of the Villages Investigated .. .. .	75
	(b) Names of the Markets Investigated .. .. .	76
	F.—Weight Systems in the areas investigated .. .. .	77
	G.—The Berar Cotton and Grain Markets Law .. .. .	80
„	H.—Rules under the Berar Cotton and Grain Markets Law .. .. .	83
„	I.—Agreement to be executed by <i>Adatya</i> under Rule 50 of the Rules under the Berar Cotton and Grain Markets Law .. .. .	100
„	J.—The Bombay Cotton Markets Act, 1927 .. .. .	102
„	K.—Draft Rules for the Bombay Cotton Markets Act as framed by the Indian Central Cotton Committee. .. .. .	108
„	L.—Forms of <i>Kapas</i> Contracts usually made in the Punjab. .. .. .	..
	(a) Fixed Contract .. .. .	118
	(b) Unfixed Contract .. .. .	120
	M.—Customary Allowances and Charges at the Markets Investigated .. .. .	121

## **General Report on the Cotton Finance and Marketing Inquiries 1925-28.**

### **INTRODUCTORY.**

The origin of the Cotton Finance and Marketing Inquiries carried out by the Indian Central Cotton Committee may be attributed to a request from the East India Cotton Association for an investigation into the finance of the cotton crop up-country in connection with broadening the hedge contracts recognised by the Association (a). In 1924 a sub-committee of the Board of the East India Cotton Association which was considering the question of further broadening the hedge contracts recommended :—

**Origin of the  
Inquiries.**

“That the first essential preliminary, which in their opinion, should engage the attention of the Association before any further effort is made to broaden the existing hedge contracts, is the question of the provision of adequate facilities for financing the cotton crop up-country, in order to enable the grower to hold his cotton.”

The Association requested the help of the Indian Central Cotton Committee to find out what facilities existed and what further steps were necessary to enable the farmer to hold his crop in case of a temporary slump in prices.

The matter came up for discussion before the 10th meeting of the Indian Central Cotton Committee in February 1925, when it was agreed to undertake an investigation into this subject, because the information provided by such an inquiry would be essential for a consideration of the improvement of primary cotton markets. The inquiry was therefore justified on its own merits, apart from any possible bearing it might have on the subject of hedge contracts. It was made quite clear, however, that the inquiry would be undertaken in connection with a general study of cotton finance and primary marketing, in order to trace the history of the cotton crop from the time it is sown until it reaches the consumer, the facilities for marketing, how the crop is financed at various stages of its growth and disposal, what finance is available and whether the cultivator makes use of it, and to what extent (if at all) he is hampered in disposing of his crop to the best advantage, including in this his capacity to hold the crop if necessary for some length of time.

The Indian Central Cotton Committee thereupon resolved as follows:—(b)

“That the Indian Central Cotton Committee should organize, as soon as possible, an inquiry into the financing of the cotton crop after it has been produced. Such an inquiry should be limited to the actual financing of the crop and not range over the whole of rural economics. For this purpose a Sub-Committee should be appointed to consider how best such an inquiry could be

---

(a) Vide the Association's Bye-laws, Schedule A.

(b) Resolution No. 8. See Abstract Proceedings of the 10th meeting of the Indian Central Cotton Committee. p. 24.

conducted by the Indian Central Cotton Committee and to arrange for the inquiry in co-operation with such local bodies including the Agricultural and Co-operative Departments, as are willing to help. The Sub-Committee should arrange in the first place for enquiries in a limited number of typical areas ”

The first Sub-Committee consisted of :—

Mr. (now Sir) Joseph A. Kay, M.L.C., (Vice-President).

Mr. R. F. Madon (representative of Co-operative Societies).

Dr. H. H. Mann (Director of Agriculture, Bombay Presidency) and

Major W. Ellis Jones (representative of the East India Cotton Association).

This Sub-Committee functioned for nearly three years. At the 16th meeting of the Indian Central Cotton Committee (in December 1927) a fresh Sub-Committee was elected consisting of :—

Major W. Ellis Jones, M.L.C., (Vice-President),

Mr. T. F. Main, O.B.E., (Director of Agriculture, Bombay Presidency),

Rao Saheb V. Krishna Menon (Co-operative Representative).

Rao Bahadur Bhimbhai Ranchodji Naik, M.L.C., (representing cotton growers).

with Sir Joseph A. Kay Kt., & Mr. B. F. Madon, as Co-opted members.

The Sub-Committee first decided upon a questionnaire, which is given *in extenso* in Appendix A. This was sent out to selected officers of the

**Preliminary Inquiry by a Questionnaire.**

Agricultural and Co-operative Departments, to some of the principal banks and to many non-officials connected with cotton growing and the cotton trade. A mass of highly interesting information was collected but on being sifted and closely studied it was found to be generally inadequate for the formation of definite conclusions. It was felt that the replies were expressions of opinion rather than statements of ascertained facts. These, however, clearly showed that conditions in the different parts of the country varied greatly, and that no general conclusions could be arrived at for India as a whole. They indicated the necessity for conducting local investigations in typical areas within the various cotton growing tracts of India.

A series of intensive inquiries was therefore undertaken in the season of 1925-26. The areas selected were Berar, Khandesh, North Gujarat (d)

**The first Series of Inquiries.**

and Madras (Westerns and Northern tracts). The statistical information obtained was tabulated and collated in the office of the Indian Central Cotton Committee. The results of the first three inquiries have been published in the form of brief monographs written by Mr. W. J. Jenkins, M.A., B.Sc., I.A.S., the Deputy Secretary of the Committee. The results of the Madras inquiry were incomplete. It was conducted by the subordinate staff of the Agricultural Department *pari passu* with their normal work of crop reporting, seed distribution and other duties, without any cost to the Committee, and as the period of inquiry coincided with a time of great departmental activity, the staff was unable to obtain a satisfactory record of sales and of some other important matters. The results of the Madras inquiry were not therefore

---

(d) Ahmedabad District and one of the Kathiawar States, viz., Morvi.

published. The results of the first two were considered by the Sub-Committee and its report, containing some recommendations, preface the monographs on the Berar and Khandesh inquiries. In the case of North Gujerat, which was started late, the record of early sales was missed. The records relating to the villages of the Morvi State were also unsatisfactory. In addition, the practice of selling bolls (*Kallas*) instead of *Kapas*, which prevails in this tract, introduced rather an unusual complication. The Sub-Committee was therefore unable to draw any general conclusions or make recommendations, and no report was prepared.

The second series of inquiries was undertaken in the season of 1927-28. In all, five areas were selected, *viz.*, Sind, the Punjab, Middle Gujerat (e)

**The second Series of Inquiries.** Khandesh, and Madras (Westerns and Northern tracts). The Westerns and Northern tracts were again chosen because the results of the first investigation were so inconclusive. Khandesh was re-visited for reasons explained in the Report relating to that inquiry, the chief one being to ascertain whether smaller crops with falling prices had made any change in the situation since 1925-26. The investigations in the Punjab were originally intended to be confined to the perennially irrigated tracts of Lahore, Multan and Lyallpur Districts, but thanks to the co-operation of the Standing Board of Economic Enquiry, Punjab (Rural Section), a fourth district was added, *viz.*, Rohtak, one of the south-eastern districts of the province, where the conditions vary considerably from those in the other districts selected. The individual reports on these inquiries have been prepared, in the case of the Punjab, by Professor D.P. Johnston of the Punjab Agricultural College, Lyallpur, and in the remaining four cases, *viz.*, Sind, Khandesh, Middle Gujerat and Madras, (together with a general summary of the Punjab report), by the writer of the present General Report.

All the eight inquiries were conducted by the Agricultural Departments of the Provinces concerned, the Local Governments having agreed to the Committee's proposals in that respect. In each case the cost of the investigation was met by the Committee, except in the case of the Punjab where about one-fourth of the expenses was contributed by the Punjab Board of Economic Enquiry. The Punjab investigation cost about Rs. 6,700; the Madras, Rs. 6,000, and the others about Rs. 5,000 each. In each inquiry three or four subordinate officers of the Agricultural Department were deputed for the period during which the inquiry lasted, usually 6 to 8 months. The investigators were generally in charge of a senior officer who acted as the Chief Investigator, except in Madras where an Assistant Director of Agriculture was deputed for the work, and in the Punjab, where Prof. Johnston directly supervised the investigations. In the other areas the Deputy Directors of Agriculture exercised a greater or less degree of supervision over the work of the investigators.

In each inquiry four distinct stages had to be gone through. First the investigations were carried out on the plan described below. The results were then worked up in the office of the Indian Central Cotton Committee

---

(e) Broach and Panch Mahals Districts, and the Baroda Prant of the Baroda State.

and presented in the form of brief reports. These reports were next considered by the Special Sub-Committee which drew up a short report of their own findings and made recommendations and attached it to the summarized reports. The whole was then presented to the full Committee for discussion and consideration.

The inquiries were divided into two parts, *viz.*, the village investigation and the market investigation. Information was collected from each cultivator

**The Plan of  
the Inquiries.**

in the villages selected, with regard to his borrowings, production, and the method and time of disposal of his crop. The market investigation was designed to find out how many growers and non-growers resorted to the markets, what quantities were sold, the rates obtained, the methods of sales, the causes and the frequency of disputes and the market deductions and allowances that the sellers had to submit to.

The investigations were carried out on the lines laid down by the Sub-Committee as embodied in two questionnaires. These were revised after the conclusion of the first series of inquiries. The questionnaire relating to the village investigation (as adopted for the second series of inquiries) together with the instructions to investigators is reproduced in Appendix C. It consists of two parts: the first relates to certain information required for the village as a whole, and the second to information required from each cultivator. The questionnaire relating to the Market Investigation is reproduced in Appendix D. It consists of three parts: (i) Certain information relating particularly to rates, to be obtained each day the market is visited; (ii) information to be obtained from each seller (with regard to the quantity sold, prices obtained and deductions submitted to); and (iii) general information for the market as a whole (concerning its management, the system of conducting sales, brokers, rates, storage, arrivals and sales, weighments, allowances and deductions).

The questionnaires were printed and the forms bound in handy books, 50 forms and 1 general form in each. These were styled the Village and Market Books. The investigators carried these about and jotted down in them all the information they obtained. They were then required to enter the information in certain printed sheets called the Village General Information Sheet, the Cultivators' Sheet and the Market Sheet. These abstracted sheets considerably facilitated the final working up of the results.

The first thing to be done was the selection of villages (and markets), a most important point, for, on the selection of typical villages the value of the inquiry depended. Great care was taken to see that the villages selected for an inquiry were typical of the tract as regards soil and other characteristics. In most cases the villages were selected by the Director or Deputy Director of Agriculture in consultation with local officers. The selection of markets was easier, as the choice had generally to fall upon those which served the villages selected for the village inquiry. The most important markets in the area investigated thus came to be selected. In Appendix E a list of the villages and markets covered by the eight inquiries is given. In all 127 villages, 70 markets, 8218 cultivators and 8,592 sellers at the markets, were examined (vide Table I). This gives us an average of slightly over a thousand cultivators and about 1,074 sellers in the market for each investigation.



Investigations in the villages were made at three different periods during the growth and disposal of the crop, and at each period the investigator had

**The method of** to visit the village and question the same cultivators.

**Investigation.** The first period was fixed to fall during the last stages of the growth of the crop but before any had been picked. The second period commenced when a substantial portion of the crop had been picked and continued until a number of early sales had been effected. The third period commenced after all the crop had been picked and continued until the major part of it was sold. The *raison d'être* for this three-fold division is obvious. If the first two periods had been combined it is improbable that satisfactory data would have been obtained relating to the financial necessities of the cultivator (a) during cultivation and (b) after harvest, a most important point which it was sought by these inquiries to find out and if the last two had been combined, it is equally unlikely that information relating to early and late sales would have been obtained; and consequently the evidence to elucidate another most important point, *viz.*, whether there is pressure to sell, or whether it is feasible for the cultivator to hold his crop in the expectation of higher prices, would have been highly unsatisfactory. A single inquiry conducted, say, at about the time of the completion of sales, would have been productive of confused returns only and would have rendered impossible a study of the different stages in the financing of the cultivator and in the disposal of his crop.

In the intervals between the stages of the village enquiries the investigators visited the markets, and examined the sellers there. Some of the important markets were visited twice or thrice at different periods.

The information collected with regard to the finances of the cultivators, the disposal of their crop, and the organization and system of sales in the markets, will be discussed in the second, third and fourth sections of this report respectively. Much other useful information has also been obtained with regard to the size of holdings, the area under cotton, the systems of tenancy, approximate total and average yields, varieties of cotton grown, sources of the cultivators' seed supply, and, in Sind, the livestock and labour employed. This information, however, is not on a uniform basis in all the eight enquiries, and much of it is absent from the first series as the relevant questions were only introduced into the revised questionnaire prepared for the second series of inquiries. In order to facilitate a comparative review of these points the figures, wherever they are on a uniform basis, are presented in Tables II to VI given at the end of this Report. For a fuller discussion the reports on the individual inquiries may be consulted.

It remains only to point out briefly the importance of the inquiries that have been carried out. These are the first intensive inquiries of the

**Importance of these inquiries** sort recommended by the Indian Economic Enquiry Committee that have been carried out in India, on such a comprehensive scale. Most of the principal cotton growing tracts in British India have now been embraced in these inquiries, the only important ones excluded being the Coompta-Dharwar tract, the Central Provinces, the "Southern" tract of Madras and the United Provinces. The fund of information collected is of the utmost importance, quite apart from any practical use to which it may be put. The conditions in

Sind for instance were practically unknown before, and even with regard to the other areas, the conditions of which were much better known, the inquiries have served the most useful purpose of replacing popular ideas by ascertained facts. The results are often at variance with current ideas. For example, it was generally held that cultivators required a good deal of finance at harvest time to enable them to complete their harvesting and marketing operations. These inquiries have shown definitely that substantial amounts are not required at harvest time, and that in most cases the only loans taken are those at or about the time of the commencement of the cultivation operations. Then again, it was generally believed that lack of finance and pressure by the lenders rendered it impossible for the cultivator to hold his crop for higher prices, except for very short periods. The inquiries have shown that as a general statement this is not true and that cultivators in most of the areas can and often do hold their crop up. Another current idea is that cultivators get much better prices in regulated cotton markets than they do in the villages. The inquiries have shown that this idea does not hold good everywhere, that it is only in certain areas that the establishment of regulated cotton markets would be of benefit to the grower, but that in others the system of village sales is so satisfactory and the village and market rates correspond so closely that little would be gained by the establishment of regulated markets. There are many other smaller popular misconceptions which these inquiries have served to correct.

Another very important function of these surveys is their exhaustive study of the systems of marketing. The Royal Commission on Agriculture in India says in its report (g):—“No systematic survey of the conditions under which agricultural produce is marketed in India has yet been made in any province. Some valuable investigations on the marketing of cotton are in process of being carried out by the Indian Central Cotton Committee. But much of the information essential to an exhaustive study of marketing conditions has never yet been collected.” It then proceeds to give a resumé of our Khandesh and Berar market investigations of 1925-26. It finally recommends the carrying out of market surveys carefully supervised by such bodies as (in the case of cotton) the Indian Central Cotton Committee; and in this connection pertinently remarks (h).

“The collection and study of exact information on the question must necessarily precede the formulation of any effective policy for the improvement of marketing. Guesses and hearsay cannot provide the grounds for action”.

It is claimed for these inquiries that they do provide “much of the material essential for a forward move” with regard to the marketing of cotton and a considerable amount of light has been thrown on the primary marketing of cotton, which is the most important of the commercial crops of this country. No other study of marketing conditions on a similar scale has been attempted in India before.

The inquiries will have been more than worth while if they do no more than correct popular misconceptions and supply much needed and accurate information on the subjects covered, but they have also a good deal of

---

(g) Para. 322, p. 385.

(h) Paras. 347, 348, pp. 408-410.

practical utility which considerably enhances their value. Certain "suggestions for improvement" are given and discussed in the separate reports. Broadly speaking these suggest :

- (i) the directions in which the cultivator may be helped in the matter of finance by co-operative societies, banks and other agencies;
- (ii) the necessity for introducing uniformity in weight systems in the interest at least of the buyer, and particularly of the non-local buyer ;
- (iii) the need for the checking and certification of weights and scales used in the sale of cotton; and
- (iv) the areas or places where regulated cotton markets may conveniently be established and those which are not yet ripe for their establishment.

Finally, these inquiries have also thrown interesting sidelights on the subjects of co-operative finance, land holding and alienation in certain areas, and on the general economic condition of the cotton cultivator. These however are not within the province of the Indian Central Cotton Committee.

#### GENERAL NOTE AS TO THE STATISTICAL DATA DISCUSSED IN SECTIONS II, III and IV OF THIS REPORT.

It may be stated here that it is not possible to give figures for many of the points discussed for all the eight inquiries as they have not been dealt with uniformly. As the village and market questionnaires were revised after the conclusion of the first series of inquiries, as a result of experience gained, figures under certain heads are only available for the second series, i.e. of 1927-28. The North Gujerat investigation commenced so late that there was only one enquiry instead of the usual three. The records are most imperfect for the Morvi State inquiry, which consequently is entirely dropped from the calculations. Discussion is therefore confined to the results of only the Sind, Middle Gujerat, Madras (Westerns and Northern tracts) and Khandesh inquiries of 1927-28, which have all been worked up on a uniform plan, and in most cases also to those of the Punjab inquiry in which Professor Johnston has followed practically the same plan.

#### II FINANCE.

The following figures show the percentage of borrowers and non-borrowers in each area investigated:—

Number and percentage of borrowers.	Borrowers.	Non-borrowers.
Berar (1925-26) ..	64%	36%
North Gujerat (1925-26) ..	71	29
Khandesh (1925-26) ..	78	22
Khandesh (1927-28) ..	71	29
Middle Gujeart (1927-28) ..	82.4	17.6
Sind (1927-28) ..	94	6
The Punjab (1927-28) ..	51.4	48.6
Madras (1927-28) ..	70	30
Total ..	70%	30%

The percentage of borrowers is highest in Sind. There the cotton cultivators are in a hopeless state of indebtedness and very few of them are able to finance their own cultivation operations. This may be due partly to the fact that they have had three consecutive bad seasons. The Punjab canal colonists are much better off as is evident from the fact that roughly only half the number of cultivators took advances. The North Gujerat figures exclude Morvi, for which as already stated, the statistics were imperfect; but it would appear that very few cultivators in Morvi took loans and those were obtained chiefly from the State in the form of "takavi". The figures for the five inquiries of 1927-28 include also those cultivators who took loans in the form of seed only. Such seed loans are not numerous and were not recorded in the first series of three inquiries.

When does the cultivator require finance? The prevalent opinion was that he required loans of large amounts not only at the commencement of cultivation operations but also at harvest for taking his crop to market, for paying Government assessment, water rates and rent, for paying off earlier loans and for social functions and ceremonies. Inquiries were made at each stage of the investigation, in the first period, about "cultivation advances"; in the 2nd period, regarding borrowings at harvest time; and in the 3rd period about any advances that the cultivator may have taken against his unsold crop.

The investigations in seven totally different cotton growing areas—and these the most important ones—clearly show that *loans are required only at or before the commencement of cultivation operations*. As will be seen from Table VII, amounts aggregating Rs. 25 lakhs were borrowed as "cultivation advances" in the eight areas investigated. Later borrowings in the 1925-26 inquiries are not clearly worked out, although in the Berar Report it is stated; "There is little evidence of borrowing when the crop is ready"; and the Khandesh Report (1925-26) says:—"There is no indication that cultivators need further advances when the crop is ready, nor is there any indication of a demand for advances against *Kapas* deposited for sale". In Sind, subsequent borrowings amounted to Rs. 3,351 only, which is less than 1% of the "cultivation advances." In Middle Gujerat and the Punjab no late loans were taken, the land assessment and (in the Punjab) the water rates being paid out of the sale proceeds of early pickings. In Madras Rs. 4,164 were taken, which is about 1% of the "cultivation advances." Only in the second Khandesh Enquiry was an appreciable amount borrowed viz. Rs. 11,586 or 10% of the "cultivation advances". This was taken by 30 per cent of the cultivators. This was the only important respect in which the findings of the 1927-28 inquiry in Khandesh differed from those of the 1925-26 inquiry. It would appear that this was due partly to the 1927-28 season having been late so that money was required to pay off the loans taken from co-operative societies etc. and partly to the "cultivation advances" taken by the cultivator in 1927-28 having been small and not adequate enough to last them through a late season. This latter point will be evident from the columns of borrowings per head and per acre given in Table VII.

Advances taken in the 3rd period, that is against the unsold crop, are either nil or negligible in all the areas investigated. The highest figure is for Sind, viz., Rs. 2,328, which is only 0.4% of the cultivation advances.

The following conclusion may therefore be drawn:—

*Practically the only borrowings made by cultivators are those taken at or just before the commencement of cultivation operations. Loans are generally not taken subsequently e.g., at harvest time. Certain dues which are to be paid off by a fixed date are usually paid out of the sale proceeds of early pickings.*

The total amount borrowed in the eight areas investigated was Rs. 25,18,914 which gives an average of Rs. 323 *per capita* and Rs. 466 per head of borrowers. The general result is given in Table VII. There are however big differences in the figures of average borrowings, both per head and per acre, in the several areas. It is not possible to make any general statement, because the conditions of production vary so greatly from tract to tract. The highest figures are to be found in Sind, but there the average yield of *Kapas* is also highest. The lowest figures are in Khandesh where the average yield is poor. In Madras the yield is lower than in Khandesh, while the borrowings per head are generally high; but this may be explained by the fact that groundnut cultivation is very important and profitable in that area and affords adequate security to the lenders (i). It will be realised then that no comparison of indebtedness in the various areas on the basis of the average borrowings per head or per acre can be made. And only one generalisation is possible, namely, that borrowings in practically all the areas are substantial, but on the whole not excessive.

It may be added that the above figures of total borrowings (except those for the three inquiries of 1925-26) include the value of loans in the form of seed, which item, however, is not big, except in Khandesh where it worked out to 9% of the total.

It would have proved of extreme interest if figures had been obtained as to the purposes for which cultivators borrowed. An attempt was made to ascertain this by asking in the questionnaire the amount borrowed for actual cultivation operations and for "other purposes", and what those other purposes were. Unfortunately, however, these questions were most imperfectly answered and little light was thrown on the definite purposes for which loans were taken. (j)

*It has therefore not been possible to determine even roughly the percentage of debt incurred for cultivation and for unremunerative purposes. (k).*

- 
- (i) Besides, the returns of yields made by cultivators are defective on the side of underestimation. See Madras Report, Introductory portion.
  - (j) In some areas, e.g. Berar and Khandesh, it is the practice to lease land for a long period, say, five or ten years, and rent is sometimes paid in advance for the whole period of the lease. This accounts for some of the cases of large borrowings in those areas.
  - (k) In both Madras and the Punjab the item "marriage" comes to 18 per cent.

An attempt was made to discover the difference, if any, which existed between the amounts which the cultivators actually received and those which they undertook to repay. Two columns were provided in the questionnaire for this purpose but the object appears to have been misunderstood; and either no differences were recorded, or only small ones were shown in a few cases. At the same time there were general complaints of this form of exaction in answers to certain questions of a general nature which were put to the cultivators. It cannot therefore be taken as proved that the *moffusil sowcar* does not make his constituents sign for more than they receive. (l)

Information with regard to arrears of debt and fresh debt is also very imperfect. In Sind, the investigators obtained this information for only 6 out of the 15 villages; and in those villages the arrears worked out to 28% of the total. This high figure may be the result of a succession of bad years. In the Punjab the "purchase of bullocks, horses, buffaloes, paying Government dues, paying old debts, and miscellaneous expenses", are returned together, and work out to 25%; but arrears of debt are not reckoned separately. In Khandesh the amount spent on "other purposes" *viz.*, 18 per cent, represents mostly arrears of debt, but the exact figure is not ascertainable. For Middle Gujarat there is no information. In Madras, only 0.5 per cent of the borrowings were returned as "arrears of debt", but the figure is not reliable, as cultivators do not keep clear accounts, and it is probable that some part of what was returned under "marriage" or "purchase of land" was in fact arrears of the debt incurred on those items in preceding years.

The results are, therefore, widely divergent, and we can only say that the total borrowing is not all fresh debt but that a certain percentage of it (varying with the areas and also according to the nature of the preceding season), represents arrears.

The average borrowings of proprietors, tenants, and persons who are partly proprietors and partly tenants are given in Table VII. It will be seen that the average borrowing of proprietors is much greater than that of tenants. This is clearly attributable to the much larger credit that proprietors command. The average borrowings of the 3rd class, *viz.*, persons who are partly proprietors and partly tenants are higher even than those of proprietors (except in Middle Gujarat), probably because they are substantial persons, rich enough to till rented land in addition to what they own, and therefore have greater credit. But as we do not know the average area cultivated by each class nothing can be definitely said on this point. The evidence accumulated regarding the percentage of proprietors and tenants who became debtors also fails to disclose any particular tendency. In Khandesh and Middle Gujarat the percentage of proprietor-debtors is greater than that of tenant-debtors; in Berar, Sind and the Punjab, it is the other way about; in Madras all the tenants took loans, but their number, *viz.*, four, is far too small to give any indication.

---

(l) it seems that, in Khandesh at least, where the interest exceeds 24% the *sowcar* gets his constituent to sign for the amount, that is, the principal plus interest, to evade the operation of the Usurious Loans Act.

The foregoing considerations will have already shown the necessity of exercising a good deal of caution in using the figures of borrowings, and particularly of average borrowings. A few other points have also to be borne in mind.

**Cautious with regard to the use of the figures of borrowing.**

- (a) Nothing can be definitely inferred from the figures of borrowings of proprietors and tenants unless the borrowing per head per acre is fully worked out for each class; because proprietors may have a larger acreage per head than tenants.
- (b) Then, as regards the "borrowing per acre under cotton", it has to be remembered that cotton is not the only crop grown on the holdings examined and to treat borrowings as if they were all for cotton cultivation would be quite misleading and erroneous. Cotton occupied only 52% of the total area in the Berar and Middle Gujarat villages, about 45% in Sind and Khandesh, 37% in Madras, and only 18% in the Punjab. The rest of the area was taken up by other crops—food grains and oilseeds particularly. A proportionate amount should therefore have been deducted from the total borrowings to represent the burden that should fall on the other crops, but such a splitting up of the figures was not practicable, and the figures given may be allowed to stand so long as the limitations pointed out above are borne in mind.
- (c) In Sind, two, three or more persons often work in partnership and therefore the "borrowing per head" in Sind is not strictly comparable with the figures for the other areas. It is not known to what extent, if at all, such partnerships obtain in the other areas investigated, where the average size of the holding is roughly between two and three times that in Sind.

As already pointed out, it is fundamentally wrong to relegate the total borrowings of the cultivator to his cotton area only. It is necessary that we should have some basis of comparison for the different areas and we think that a much better idea of the incidence of debt would be obtained if we relate the "borrowing per acre of the total area of the holdings" to the value of the average yield of *kapas* per acre.

This method is open to several objections: (a) The value of the yield of an acre of cotton is not the same as the value of an acre of another crop. (b) An acre of cotton may require relatively larger cultivation expenses than an acre of another crop and therefore should bear a greater share of the burden of debt. However in the absence of information regarding other crops the "index of borrowing" gives a rough idea of the relation of borrowings to production. In the absence of some such formula we should get no idea of the solvency of the borrowers, or what security the lenders regard as adequate. The rough "index of borrowing" (*i.e.*, the percentage of the borrowing per

acre of total area to the value of the average yield of *kapas* per acre) for the various areas investigated is as follows:—

Sind .. ..	50	(or a little over)
Madras (Westerns & Northern tracts) .. ..	47	
Khandesh (1925-26) .. ..	35	
Berar .. ..	32	
Khandesh (1927-28) .. ..	25	
The Punjab .. ..	25	
Middle Gujerat .. ..	20	

The above figures indicate very roughly the solvency of the cotton cultivators in the tracts examined. In Sind and Madras indebtedness is very heavy. The position of Madras relative to Sind should be somewhat better than that indicated, because in the Sind villages the other important crops *viz.*, bajra, jowar and rice, occupying over 50 per cent of the total area, are not so valuable as cotton, while in the Madras villages groundnut occupies a large area and fetches more money per acre. An average of the two investigations in Khandesh would bring it to about the same as Berar; while the Punjab is slightly, and middle Gujerat distinctly, better off than either of these two areas in respect of solvency (*m*).

The above indices further help to show the extent to which *sowcars* are prepared to make loans. In Sind, they appear to have lent up to over 50 per cent of the value of the outturn. This figure is the average. In individual cases, therefore, they must have advanced on much smaller security incurring not a little risk. This may explain why the Sind *sowcars* insist upon the additional security of the borrower giving an undertaking to sell his crop to or through them, why they carry away their debtor's crop at each picking

---

(*m*) The index for the Punjab is considerably better than what readers of Darling's book "The Punjab Peasant in Prosperity and Debt" might have expected. This, however, is due to the fact that the principal cotton growing tract in the Punjab is in the canal colony districts, which are more prosperous than the other districts of the province.

The general index for the Punjab is 25; but considering that the percentage of borrowers is very low there it would give a more correct idea of the security to the lender if the index were reckoned on the basis of the borrowing per acre of the area of the borrowers only. This would give us 45 as the index instead of 25. But for the sake of consistency, only the latter figure can be taken into account in comparing the Punjab with the other areas.

The above consideration, however, suggests the idea of "weighting" the indices given above by the figures of the percentage of borrowers to total for the respective areas. But there would be many difficulties, both practical as well as theoretical, in the way of doing this. So that the best course seems to be to leave the indices as they are, unweighted.



and why they charge such exorbitant rates of interest. In the other areas the ratio of loans to the value of the outturn is small and the *sowcars* do not run the same risk, and do not therefore, impose the same severe condition on their debtors.

It is necessary to point out here that the "index of borrowing" must not be taken to be an index of the economic condition of the cotton cultivator; for we have not investigated his income and expenditure. Even for comparative purposes these indices cannot be used to indicate economic conditions, for obviously, cultivators in one area who get an outturn worth a thousand rupees per holding and pay Rs. 500 for redemption of debt, are much better off than those in another area with an outturn worth Rs. 250 per holding and who pay Rs. 50 only for debt.

The season naturally has a distinct bearing on the amount of indebtedness, but in static inquiries like the ones under **Season and Indebtedness.** report the season factor does not need to be given much consideration, for we are not concerned with indebtedness in a given area from year to year or for a series of years. A few words only will therefore suffice. The heavy borrowing in Sind was due to a large extent to the bad season of 1926-27 and of the two preceding years. The 1926-27 season was not very favourable anywhere for cotton and the crop was reported to be "fair" only (n). The 1924-25 crop, which must have affected the borrowing of the succeeding year, was "on the whole good" (o).

The number of persons who resorted to each source (for the whole or a part of their loans) and the amounts borrowed from each such source are given in detail in Table VIII. Figures for the Khandesh inquiry of 1925-26 are not available. In the remaining seven inquiries the percentages of the amounts borrowed from the various sources are:—

<i>Sowcars</i> .. .. .	65 %
Landlords .. .. .	15 %
Co-operative Societies .. .. .	13 %
Friends and relatives .. .. .	2.7 %
Petty merchants & traders .. .. .	.2 %
Ginowners .. .. .	1.6 %
Government (Takavi) .. .. .	0.3 %
Others .. .. .	0.4 %
Total .. .. .	100 %

By far and away the most important source of the cultivators' finance is the *sowcar*. In North Gujerat, Sind, the Punjab, Berar, Middle Gujerat and Khandesh he advanced 90, 77, 68, 65, 65 and 53.5% respectively of the total advances. Only in Madras does he not occupy the first place in the list of lenders being responsible for only 27.3% of the total advances.

(n) See Estimates of Area and Yield of the Principal Crops in India, for 1926-27, page 3.

(o) *Ibid* for 1924-25, page 3.

The *Sowcar* in Sind (subject of course to many exceptions) is undoubtedly the most oppressive. He wields an enormous influence over his cultivator-debtors and abuses his position in various ways. He not only charges very heavy rates of interest, but also exacts various other payments from them like the *sowcari lapo* and *sethai*. His debtors are bound hand and foot to him; they must sell their crop to or through him; and as a purchaser he rarely hesitates to cheat them in the matter of rates and in weightment. In some cases he is the virtual owner of the land and the crops, but to evade the provisions of the Land Alienation Acts he does not have the land transferred to his name but poses only as the *Koonjro* or "financing partner." The debtors have often to render personal service to him, *e.g.*, repairing his shop or house, carrying his goods on their camels etc; but the most oppressive way in which some of the *sowcars* tyrannize over their debtors is through the "*begar*" system, under which they get their private plots of land cultivated gratis by the forced labour of their debtors.

On the other hand the *sowcars* of Khandesh and Middle Gujerat are very considerate. Compared with 18½ to 37½% interest charged in Sind, the *sowcars* in Khandesh levy between 12 and 18 per cent only. In Middle Gujerat the interest varies between 9 and 12% and more often it is the lower rate, which is also the rate charged by co-operative societies. At the same time neither in Khandesh nor in Middle Gujerat was any complaint received about the *sowcar* obtaining any indirect benefits from his debtors in cash, kind, or service, or about his being in any way a clog upon their freedom in disposing of their produce.

The part played by co-operative societies in financing the cultivators varies greatly in the different tracts. In Khandesh 41% of the Loans were taken from co-operative societies; (in West Khandesh 66%, and in East Khandesh 31.5%.) The results would have been still better if the talukas which are the centres of co-operative activity had been selected for investigation. In Berar, the societies were responsible for 31% of the loans. This high percentage is however due to the figures for the villages of Akola District. By omitting Akola, the percentage would be reduced to 4 only. In Middle Gujerat the societies lent 18.4% of the total; in the Punjab 8.8%; in North Gujerat 2.5% and in Madras 0.5% only. In these areas and particularly in Madras money is obtainable from *sowcars* and landlords at rates similar to those charged by co-operative societies so that there is less chance of the co-operative movement making much headway.

In Sind, as might be expected from what has been said above, co-operative credit societies have a very great future. The movement is already advancing by leaps and bounds, as may be gathered from the report of Mr. Collins (p);—"In Sind the expansion and improvement continue to be very noticeable.....By far the best agricultural credit societies are in Sind.....The societies in Sind are without doubt excellent institutions and have conferred much increased prosperity on their members. The Sindhi cultivators are simple in character, and when once convinced of the advantages

---

(p) Annual Report on the Working of Co-operative Societies in the Bombay Presidency (including Sind), 1927, pp. 7, 10 and 20.

of co-operation and co-operative finance, they have eagerly accepted the help and advice which the Department has to offer. The results of our investigation do not altogether fit in with the account given above. Only 7% of the total advances were lent by co-operative societies, and only 114 out of the 721 cultivators examined took from these societies, and in almost all cases the society was not the sole or even a substantial source of the borrowings. It has now been ascertained from the Assistant Registrar of Co-operative Societies in Sind that the villages taken for the inquiry were not selected from those in which the co-operative credit movement had obtained a foothold. It appears that on account of three successive bad years—particularly in the Jamrao Canals District—members of societies have not been able to repay the Bank's loans and consequently no fresh loans were made by the Co-operative Bank to the societies. This circumstance accounts for the poor percentage of loans made by the societies in the villages investigated, but our results should not be regarded in any way as a criterion of the extent or popularity of the co-operative movement in Sind.

On the whole, the co-operative credit movement has secured a firm foothold in Berar and Khandesh; it has great scope for development in Sind and the Punjab but in areas like Gujarat and Madras (Westerns and Northern tracts) where cultivators are able to obtain all the finance they need from local *sowcars* and landlords at rates from 9 to 12 per cent. there appears to be less scope at present for the development of the movement.

The *Zemindar* or Landlord is, after the *sowcar*, the most important financier of the cultivators. In Madras he advanced 56.8% of the loans, in the Punjab 16.9% and in Sind 10%. In Khandesh

**Other lenders.** and Berar, however, advances from this source were insignificant. In Sind and in the Punjab it is sometimes the practice for a *zemindar* to take a big loan from the *sowcar* with which he finances the tenants of his estate. To this extent therefore there is a possibility of "double counting" in the figures of total borrowings; but the amount cannot be appreciable.

Friends and relatives have advanced small sums in all the areas, ranging from 1% in Madras to 5% in Khandesh. In most cases these loans were free of interest.

Petty merchants and traders have had a very small hand in financing operations. Ginowners also take but little part in this kind of business. One ginowner in Sind advanced Rs. 5,500 to a *zemindar*, and in one village in Madras ginowners advanced Rs. 33,050 to the cultivators; these make up practically the whole amount of the loans from ginowners. The ginowners of the Madras village referred to lent on the condition that the borrower should sell his crop to the lender, or get it ginned at the lender's gin.

The *dalal* or agent of the big cotton merchant or firm did not lend to the cultivators direct. The evidence in all the eight inquiries is singularly uniform on this point. This is contrary to the general opinion which is probably due to the fact that in some areas, e.g., in Sind and Middle Gujarat, the *dalal* or agent of the big cotton merchant or firm is himself the local *sowcar*. In such cases the *sowcar* no doubt gets much of his own finance from the big cotton merchant or firm. In other areas too, where the *dalal* or agent is distinct from the local *sowcar*, the former may possibly be financing the latter

to a certain extent. It can be laid down as an axiom that in the areas investigated the *dadal* as such does not take any direct part in financing the cultivator.

The three commonest systems of interest rates obtaining in the areas may be called (1) the "anna system"; for example, one-quarter anna per rupee per mensem ( $=18\frac{3}{4}\%$ ) or one-half anna per rupee per mensem ( $=37\frac{1}{2}\%$ ); (2) the ordinary system, half per cent per mensem ( $=6\%$ ) or one per cent per mensem ( $=12\%$ ), and (3) what is called *Panjoth* in Sind, and *Sawai* in Khandesh and Berar. In their literal sense both words mean 25%; but as loans are made for about six months the interest really works out to 50%. This is sometimes frankly styled "extra *sawai*" or "double *panjoth*". "*Sawai* for 3 (or 4) months" would therefore mean 100% (or 75%).

Several common rates of interest prevail in the different areas investigated, and these have been grouped together in Table IX. The general result (excluding the Khandesh Inquiry of 1925-26 for which figures are not available) is shown below in order of importance of the groups:—

Groups of interest rates.		Percentage of the total amount lent.
$9\frac{3}{4}$ -12%	..	33
12-18 $\frac{3}{4}$ %	..	20
Below $9\frac{3}{4}$ %	..	18
18 $\frac{3}{4}$ -25%	..	14
25-50%	..	8
0 (Free of interest)	..	4
50% and over	..	3
	Total	100

52% of the total loans were obtained at 12% interest or less, which cannot be called an exorbitant rate.

The group "Below  $9\frac{3}{4}\%$ " is composed mostly of loans made by co-operative societies (at  $9\frac{3}{4}\%$ -equal to a half-pice per rupee per mensem), and of a large percentage of the advances by *sowcars* in Middle Gujarat and Madras. This group includes rates from  $4\frac{1}{2}\%$  in Middle Gujarat, 6% in Sind, Madras, the Punjab and North Gujarat, and 9% in Khandesh and Berar. The first group, " $9\frac{3}{4}$  to 12%," includes some loans made by co-operative societies at  $10\frac{1}{6}\%$ ; most of those made by landlords, and a large amount made by *sowcars* particularly in Madras, Middle Gujarat, Khandesh, Berar and North Gujarat. The groups "12 to 18%" and "18 $\frac{3}{4}$  to 25%" include the bulk of the *sowcars'* loans in Sind and the Punjab. The most important constituent in the next group "25 to 50%" is the *sowcar's* loans at  $37\frac{1}{2}\%$  in Sind. Rates of 50% and above were charged only in Sind, Khandesh and Berar; these include the *Double Panjoth* and the *Extra Sawai* referred to above. Rates of over 50% are not usually charged except on the subsequent borrowings made at harvest time when loans are taken for a month or two at most.

It will be seen from Table IX that a large percentage (10.5%) in Khandesh is free of interest. This however is almost wholly made up of the value of loans in the form of seed. The investigators returned these amounts as "free of interest"; but on inquiry it was found that the seed supplied had to be returned at harvest time with one-quarter extra. In the other areas, the amount advanced interest free was that given by friends and relatives; but in the Punjab and Sind a large part came from a few Muslim *Zemindars* by whom interest was not charged according to the tenets of their religion. In Sind, some part of the amount lent free of interest came from the "*Koonjro Sowcar*" under the "*Koonjro system*" (g)

The highest rates of interest are charged in Sind and lowest in Middle Gujarat.

(1) In Sind, nearly three-fourths (72 per cent) of the loans were obtained at the rate of  $18\frac{3}{4}\%$  or more.

(2) In the Punjab, over half the total amount was obtained at these rates but whereas in Sind nearly 30 per cent was borrowed at over 25% interest (chiefly at  $37\frac{1}{2}\%$ ), in the Punjab rates over 25% were charged on 8 per cent of the loans.

(3) In Berar, two-thirds of the amount was obtained at 12% interest and under.

(4) Khandesh shows similar figures, but whereas in Berar only 8 per cent of the loans was obtained at below  $9\frac{3}{4}\%$  interest, in Khandesh nearly 20 per cent was advanced at below that rate.

(5) In North Gujarat, over three-fourths (78 per cent) of the loans was obtained at 12% interest and under; and over one-third (36 per cent) at below  $9\frac{3}{4}\%$ .

(6) In Madras (Westerns and Northern tracts), the position is even better, nearly 84 per cent of the loans having been obtained at 12% interest and below, and 24 per cent of the loans at below  $9\frac{3}{4}\%$ .

(7) In Middle Gujarat, however, the position is the best; nearly the whole amount (95.7 per cent) was obtained at 12% interest and under, while as much as 66 per cent of the loans was borrowed at  $9\frac{3}{8}\%$  interest and less.

In connection with this subject it is necessary to point out that in some cases lenders derive other benefits from their

**The "real" and "nominal" rates of interest.** In connection with this subject it is necessary to point out that in some cases lenders derive other benefits from their borrowers. (1) In Sind, the *sowcar* often gets from his cultivator-debtors small gifts in cash or kind at Divali or on other auspicious occasions; he levies his *sowcari lapo*, and the *sethai* or commission on all sales of his.

(g) This is a peculiar system prevailing in Sind, which has been described in the Report on the Sind Inquiry. Under it the *sowcar* becomes the "financing partner" of his cultivator-debtor. The terms of this partnership are: the past year's loans to the cultivator remain free of interest for the current year; the *sowcar* agrees to lend further sums to meet the cultivator's needs for the current year at a somewhat reduced rate of interest (i.e., at  $18\frac{3}{4}\%$  instead of at  $37\frac{1}{2}\%$ , and in consideration of this the *sowcar* gets half the produce for himself, and the remaining half is marketed and sold by him, the sale proceeds being credited to the cultivator's debt account.

debtor's produce; the debtors are at times required to render free service in repairing the *sowcar's* shop or house, and to give him the use of their camels for the transport of his baggage and his people. (2) Then again, in Sind as well as in some other areas, where the *sowcar* happens to be also a petty trader (as he often is), the advances are not usually wholly in cash but a large part is in the shape of seed, grain, ghee, cloth and other things. There is an obvious gain to the *sowcar* from this method of lending. (3) At some places the cultivator-debtor is required to give an undertaking to sell through the lender (usually the *sowcar*, but sometimes also the landlord). This again is an advantage to the lender, as it provides security, and at the same time yields *dalali* or commission on sale. (4) In one of the Madras villages where ginowners lent large sums it was made a condition that the *Kapas* should be ginned at the lender's gin.

Thus it will be seen that the rates of interest given above are really only in many cases the nominal rates in contradistinction to the real rates which would include all the other benefits which the lender derives from his connection with the borrowers.

The investigations show that the borrowers are rarely required to give security for the loans by mortgage of land., livestock or crop, or otherwise. In some places, as we have seen, **Security for the advances.** cultivators were made to give a written undertaking to sell their crop to or through the lender, and this virtually operates as a mortgage of the crops. At some other places there was only a verbal undertaking to this effect, or a "moral obligation" as the investigators have styled it. But rarely was land required to be mortgaged except to secure long term credit. For ordinary loans, then, security is not usually required, the acknowledgement of the loan or the signature of the borrower in the *Khata*-book being quite sufficient.

It may be stated generally that cultivators, except in Sind, are not hampered by their borrowings in the disposal of their **Effect of borrowing on sales.** *kapas*. In Sind 434 out of 680 borrowers *i.e.*, 64% gave a written undertaking to sell their crop to or through the lender. In North Gujerat, too, cultivators appear to be in the hands of their financing agents to a certain extent, but considerably less so than in Sind. Only 63 out of 556 borrowers (*i.e.*, 11%) in North Gujerat gave an undertaking to sell to or through the lender, though many more were "morally bound" to do so. In Middle Gujerat 162 out of 952 borrowers (*i.e.* about 15%) verbally agreed to sell to or through the lender but this number was made up from 3 villages (in Panch Mahals District) out of the 23 examined. It may be said therefore that in the Middle Gujerat area as a whole, borrowers were not under any obligation to sell to or through their lenders. In Madras, only 29 out of 519 borrowers (*i.e.* 4%) gave a verbal undertaking as in Middle Gujerat. Here again the figure pertains to the borrowers from one village where ginowners had lent large amounts. In Berar, Khandesh and the Punjab no cases of written or verbal undertaking were reported.

It will be seen from the next section on "sales," that the cultivators (except in Sind) were able to, and did, hold their crop for considerable periods in expectation of higher prices; and that where, as in Middle Gujerat, they

sold "early" it was because the season itself was extremely late, and not because there was any pressure by the lenders to realize the crop quickly to repay loans.

The popular opinion that pressure is usually exerted by the lenders on the borrowers to sell early is considerably belied by the results of the investigations which clearly show that, excepting Sind, cultivators are in general not hampered by their borrowings in the disposal of their *kapas*, either as regards the persons to whom, or as regards the time at which, they may sell.

The general conclusions under finance may be summarized as follows :—

**Summary of  
General conclusions.**

- (1) On an average about 70 per cent of the cultivators in each area required loans.
- (2) It is not difficult for cultivators (except those in Sind) to obtain adequate finance for cultivation and non-cultivation expenditure.
- (3) Borrowing was substantial, but not excessive, except in Sind and Madras where the "index of borrowing". (as explained in the report) was 50 (or over) and 47 respectively.
- (4) Borrowing is confined mainly to the period at or just before the commencement of cultivation operations.
- (5) It would appear that a considerable percentage of the borrowings is for non-cultivation purposes, but it is not possible to give even a rough figure.
- (6) The *sowcar* is the most important financier of the cultivator, being responsible for 65% of the total amount lent. The next source, the landlord or *Zamidar*, lent only 15%.
- (7) The Co-operative Credit movement has made much headway in Berar and Khandesh; there is great scope for development in Sind and in the Punjab; but in areas like Gujerat and Madras (Westerns & Northern tracts), where cultivators are able to obtain loans as readily and cheaply from *sowcars* and landlords, there appears to be less scope for the establishment of societies.
- (8) The *dalal* or agent of the big cotton merchant or firm does not take any direct part in financing the cultivators.
- (9) 55 per cent of the total loans were obtained at 12% interest or less, which cannot be called unsatisfactory. With regard to the rates of interest charged, the position is worst in Sind, and best in Middle Gujarat.
- (10) Lenders as a rule do not require any security for loans, e.g., by way of mortgage of land, crops, or moveables. In Sind, however, and to a small extent in Khandesh, borrowers were required to give a written undertaking to sell their *kapas* to or through their lenders.
- (11) Except in Sind, cultivators are in general not hampered by their borrowings either as regards the persons to whom, or as regards the time at which, they may sell their *kapas*.

## III. VILLAGE SALES.

The information in this section deals only with the sales made in the villages by cultivators. The results of the market investigations are summarised in the next section on "Markets".

**Place of Sales.** The first point to be considered is, how much of the crop is sold locally and how much is taken to the market for disposal. The figures are given in detail in Table X. None are available for the Khandesh (1925-26) and the North Gujarat inquiries. In the remaining six investigations we find that :

66% of the crop was sold locally, and  
34% in the market,  
*i.e.*, on the whole two-thirds was sold in the village and one-third in the market. The tendency, however, is far from being uniform as will be seen from the following figures:—

					Percentage of the amount sold	
					in village.	In market.
Berar	..	..	..	..	32%	68%
Khandesh	..	..	..	..	81.4%	18.6%
Middle Gujarat	..	..	..	..	51%	49%
Sind	..	..	..	..	79%	21%
The Punjab	..	..	..	..	80.5%	19.5%
Madras (Northern & Western tract)	..	..	..	..	87%	13%

In Berar there are regulated and organised cotton markets and naturally a much larger amount is sold there. In Middle Gujarat village and market sales are about equal. In this area there is a large number of small markets (*i.e.* places having ginneries) in close proximity to the villages investigated. In the other areas village sales preponderate. If we exclude Berar, which has regulated markets, nearly three-fourths (72%) of the amount disposed of was sold in the village, and only one-fourth (28%) was sold in the market.

The number of cultivators who sold in the village and in the market (vide Table XI) tell the same tale. Unfortunately the figures for Berar and the Punjab are not available. Two points, however, are apparent from the Table. One is the very small number of persons who sold "partly in the village and partly in the market". In the early period (considering only the four inquiries *viz.*, Khandesh, Middle Gujarat, Sind and Madras):—

60.5% sold in the village,  
37% sold in the market, and  
2.5% sold partly in the village and partly in the market;  
and in the late period:—

78.6% sold in the village,  
20% sold in the market, and  
1.4% sold partly in the village and partly in the market.

In Madras (Northern and Western tract) no cultivators sold partly locally and partly in the market.



The second point is that no particular preference for village or market sales is shown by any class of cultivators. One would have supposed that small cultivators would generally prefer to sell in the village and large cultivators in the market, but there is no indication of such a tendency.

It is clear from the foregoing that there is a strong preference for village sales in almost all the areas where there are no regulated markets. What are the reasons for this preference? Is it because of lack of adequate transport facilities and means of communication between village and market, or is it because of any defect in the market systems as they exist at present, or is it because the system of sales in the village is on the whole satisfactory? The investigations show that the first is not the reason for this preference and that the other two operate jointly, one being more important in some areas, and the other in the remainder.

The subject of communications was not very closely investigated, but in the Punjab, Madras (Northern and Western tracts) and in Khandesh the roads leading to the markets from the villages around are stated to be fairly satisfactory. In Middle Gujarat and Sind they are in most cases bad. In Madras, there is a very large percentage of village sales though roads are good, while the percentage of market sales is almost 50 in Middle Gujarat where the condition of the roads leaves much to be desired.

Markets, except in Berar, were not favoured by the cultivators for one or more of the following reasons:—

- (i) There is an uncertainty as to the demand in the markets and the rates which will be obtainable;
- (ii) Disputes with the buyer on quality, resulting in deductions in weight or in the rates, frequently arise.
- (iii) A number of customary deductions and market charges are required to be given.
- (iv) It is necessary to engage an *adatya* or *arti* or broker at the market, and though it is the seller who pays the *dalali* or commission, the *adatya* not infrequently subordinates the seller's interests to those of the buyer.
- (v) Although the weights and scales used are usually above suspicion the manipulations of the weighmen are complained of.
- (vi) There is no storage accommodation in most of the markets so that a cart taken there must be sold even though the rate may not be satisfactory to the seller.
- (vii) Considerable time is spent in effecting the sale of a cartload in the market, the whole operation sometimes taking as many as two days.

Against these disadvantages there are of course certain advantages in the market, *e. g.*, very prompt payments and the prospects of getting higher

rates. These points will however be considered at length in the next section. Village sales have certain decided advantages :—

- (a) There is always a strong local demand. Village petty merchants and traders, or peripatetic traders who tour the villages in the season, are ready buyers of all the stocks of *kapas* for sale in the village.
- (b) Owing to this keen competition, rates in the village compare very favourably with the prevailing market rates (allowing of course for transport and market charges).
- (c) Disputes are rare. No allowances are given and no levies or charges are paid, except in Sind.
- (d) In many cases the weighment is satisfactory, the weighman being paid by the seller.
- (e) There is no waste of time and no question of what will have to be done with the *kapas* if rates are unsatisfactory.
- (f) The village *bania* is a person with whom the cultivator has long-standing relations, and more consideration is expected at his hands than from a buyer in the market.

In Berar, though there are regulated cotton markets, it was found that "the theory of management was considerably better than the practice in most of the markets", and that the inconveniences mentioned above prevailed in the Berar markets with as much force as elsewhere. Nevertheless, the establishment of these markets has led to a concentration of the demand there, and consequently competition is keener and better prices are obtained than in the villages.

In Sind, on the other hand, the points (c) (d) and (f) given above in favour of village sales do not operate as will be seen later. And with regard to point (b) there is a widespread suspicion that *sowcars*, *banias* and ginowners are in active complicity with each other to conceal the true rates from the cultivators, though our investigations showed that as a general complaint this was not justifiable. As, however, the suspicion is there, point (b) cannot be said to operate as an inducement to the cultivators to sell locally. The reasons for the large local sales in Sind are therefore to be sought for in the strength of the local demand, in the cultivators being to a considerable extent in the hands of the local *sowcars*, and in the paucity of cheap and adequate transport facilities between village and market, but more than anything else is the active discouragement of the ginowners to the cultivators bringing *kapas* direct to the ginneries for sale. Ginowners and other big purchasers have their agents posted throughout the cotton growing tracts, and do not wish to have direct dealings with the cultivators.

In the villages the crop is usually sold outright to the purchaser and it is very rarely that it is deposited with the *bania* or *arti* for sale on the cultivator's account. In Sind, however, **Methods of sale in the villages.** 50% of the growers are reported to have deposited the whole or part of their crop for sale, due undoubtedly to the fact that most of the cultivator-borrowers gave an undertaking to sell to or through their lenders. In East Khandesh the system of effecting what are

called *mogham* sales prevails to a small extent. Under this system the cultivator gives delivery of his crop, but the rate is left unfixed. The rate is to be that prevailing on any subsequent day that the cultivator selects. In the hope that prices will rise the cultivator may procrastinate. If prices do rise, he is the gainer; if, however, there is a falling market, the more he postpones the fixing of the rate the more he loses. In the Khandesh investigation of 1927-28, it was noticed that cultivators did not benefit by delay.

No *adatyas* or brokers are usually required in village sales, the sellers and buyers coming into direct contact. Sind, again, is an exception as, in many cases, the crop of the cultivator-debtor has to be sold through the *sowcar* who then acts as a broker and charges his *dalali* or commission.

In Khandesh, Berar and the Punjab the *kapas* is mostly purchased in the village by itinerant petty traders or merchants on their own account. In Madras practically the whole of the crop was purchased by these petty merchants and traders, but it seems that most of them had entered into forward contracts with big merchants in the market which does not appear to have been the case in Khandesh or Berar. In Sind the crop is bought by the ginowner if there is a ginnery in the village or near at hand; if not, then by the *sowcar* or the *dalal* of a big cotton merchant or ginowner. In most cases the local *sowcar* is himself the *dalal* or agent. The conditions in Middle Gujerat are similar to those in Sind. Here too the big cotton merchants or ginowners have their own local *dalals* or agents in all the important villages or have itinerant agents touring the villages during the season, and they make purchases in the villages according to the requirements of their principals. Here also the *sowcar* acts as the local agent or *dalal* of the big purchasers, so that it is not surprising that the investigators have used the word "*dalal*" and "*sowcar*" indiscriminately in this respect. It is thus difficult to say to what extent the purchases made by the "*sowcar*" in Middle Gujerat and Sind are purchases on his own account.

सत्यमेव जयते

The conditions in North Gujerat excluding Morvi are not quite clear, but they would seem to approximate to those in Berar or Khandesh, except that the cultivators here sell *kallas* (bolls) instead of *kapas*. In the Morvi State the method is quite different. The whole business of cotton sale is managed by the State which gets about one-third of the sale proceeds in the shape of customs duty. Each cultivator hand-gins his *kapas* and the quantities available for sale are made known to the "village committee" which enters the amounts in a "*Kharda*" or list. These "*khardas*" are then taken to Morvi and sold by auction under the directions of the State officers. The State Bank Manager and the Customs Officer supervise the sales. The lint is subsequently delivered to the buyers (generally at the State press at Morvi) by the cultivators at their own expense. There are no *adatyas* or brokers and all sales must be made through the medium of the State. The cultivators receive their money from the State Bank about fifteen days after the sale. The State also acts as an arbitrator in the event of disputes arising between the seller and the auction-purchaser.

From the investigations we are thus able to say :

- (i) that the money-lender is not the purchaser of *kapas* on his own account to any appreciable extent except in Sind, and
- (ii) that except in Sind and Middle Gujerat it is not usual for the big cotton merchants or firms to have their *dalals* or agents posted in or touring about the village to make purchases direct from the cultivators.

The last observation is contrary to the popular opinion on the subject. In some of the other areas (e.g., in Khandesh and North Gujerat) *dalals* or agents are sometimes employed, but they negotiate not with the cultivators direct but with petty merchants or traders who are the purchasers of cultivators' cotton in the first instance.

In most cases cultivators are reported to have ascertained the prevailing rates before selling. The few who did not do so either trusted the purchaser or were so circumstanced that they had to submit to the rates which the purchaser dictated. The local dealer was the chief source of information, but in Khandesh cultivators appear to have been shrewd enough to institute inquiries in other centres. A large number took the trouble to inquire about the rates in the market or at the ginneries.

The question whether sale organisation in the villages is satisfactory or not, and what are its chief defects involves a consideration of such topics as disputes and deductions, customary allowances and charges, weight systems, weights and scales used, weighment, payments, storage and rates. These will be discussed separately.

Sales in the villages are surprisingly immune from *vandhas* or disputes regarding quality, due, firstly, to the fact that in the village a much better opportunity for inspection is presented, and secondly to the greater mutual trust between the vendor and the purchaser in the village, where they are generally well acquainted with each other, than in the market where the parties are usually strangers. Consequently, in none of the village sales in the area investigated were recorded any disputes or deductions for inferior quality, adulteration, moisture, leaf, boll-worm stain, dirt, stain or other causes.

Except in Sind, it is also not customary in the villages for the buyer to claim any allowance in weight. Nor has the seller in the village to pay any charges or levies, except the weighman's.

In Khandesh, the seller has to pay between 8 annas and one rupee per *khandi* to the weighman, the buyer paying about a rupee. There are no other charges.

In Middle Gujerat 2 or 3 lbs. of *kapas* per *Bhar* (about 1000 lbs.) are given by the seller to the weighman if one is employed. There are no other charges.

In Sind, a number of levies are made like the *Tabro*, *Choongi*, *Dharawai*, *Burro*, *Dalali*, *Panchayati* and *Sethai*. These have been referred to at length in the Report on the Sind Inquiry. It will suffice to note them briefly here. The weighman takes about a *seer* of *kapas* per *maund* and this is called the *Tabro* or *Dharawai*. The *burro* is the last unweighed lot of less than half a *maund* which the purchaser takes. In some cases *burro* (sometimes also called *choongi*) has come to mean a definite amount (of about 1 *seer* per *maund*) which the purchaser exacts from the seller as a customary allowance. If the sale is made through or to a *sowcar* he takes his *dalali* or commission (about 1½ annas per *maund*). Some *sowcars*, by virtue of their position as the financier or *seth*, levy small charges called *sethai*, on all sales made by their debtors (whether to or through them or not). *Dharmao* is a charge of about half an anna per *maund* for charity. At some places the Hindu Panchayat levies a *panchayati* of about 1/8th of a *seer* per *maund*. These charges were strongly complained of by the cultivators.

In the Punjab report, the customary allowances and charges on village sales are not specified, but from the general tenor of the report it appears that there, as in Khandesh and Middle Gujerat, no charges are paid except for the weighman if one is engaged.

In Madras, too, there are no customary allowances or charges, except for weighment. The seller has to pay the weighman about 12 *seers* (or a quarter *maund*) per each *Kantlam* (63 *maunds*) weighed; while the buyer pays about 5 annas per *Kantlam*.

Exact information about Berar and North Gujerat is not available.

The weight systems in the areas investigated are hopelessly confusing because even in the same area there may prevail several different systems.

**The weight systems.**

The Royal Commission on Agriculture in India in their Report say (s) : "From all parts of India we received evidence of the disabilities under which the cultivator labours owing to the chaotic condition in which matters stand in respect of the weights and measures in general use in this country and of the hampering effect this has upon trade and commerce generally." The weight systems prevailing in the villages and markets of each area investigated are given in Appendix F, from which the "chaotic condition" will be at once apparent. In Khandesh each village seems to have its own weight system, and in some the *maund* has two different values. In Sind and the Punjab (and probably in North Gujerat also although the point is not clear from the Report) the weight systems are uniform. In Berar, Khandesh and Middle Gujerat, and to a certain extent in Madras (Northerns and Westerns tract), several weight systems prevail. Sometimes the weight systems in the villages and in the markets in the same area differ greatly, and this causes not a little confusion and inconvenience to both buyers and sellers.

Another serious blemish in the village sales organisation is the use of improper uncertified weights and defective scales. In many villages the weights

**Weights and scales used.** used are pieces of stone or brick tied in a small bag. In Sind the practice amounts to a scandal, as may be seen from the instances given in the Sind Report. Special weighing tests under-

---

\* (S) Para 339, p. 396.

taken by the Chief Investigating Officer revealed the fact that due to the use of these irregular weights the purchasers, (*bantias* or petty traders), took from the cultivators anything between 90 and 98 lbs, while they paid for a "*maund*" (of 86.4 lbs). At the same time these merchants were in possession of correct iron weights and scales which they used when selling to the ginowner or other big purchaser. In Madras (Westerns and Northern tracts) the same state of affairs exists, and it is said that the weights of no two traders agree. In the Berar villages also the petty trader when purchasing *kapas* uses stone weights which are heavier by a few *tolas* than the standard weight. The practice in the villages of Middle and North Gujarat, the Punjab and Khandesh has not been ascertained though it would appear that the weights used in Khandesh are satisfactory.

As regards scales, there is again no uniformity in the areas investigated. Usually beam scales are employed for weighing *kapas*, but in some places Avery's platform balances or weighbridges have been installed. The latter are certainly more efficient and expeditious and also more advantageous to the seller as he can have his *kapas* weighed in one big lot instead of in several small lots of half a *maund*. The cultivators however have not taken kindly to the platform balance. They believe the balances provide easy opportunities for manipulation and they therefore prefer the ordinary beam scales which they understand. These beam scales are usually made by Avery & Co., but sometimes ordinary wooden beam balances, locally manufactured, are used, which are not very accurate. In the weighing tests made in Sind, instances were recorded where the wooden beam had a thick string passing through the point of balance. On substituting a thin string which allowed free working, the difference in sensitiveness was found to be appreciable.

The practice regarding the employment of the weighman is also not uniform. In the Sind villages, the weighman is either the *bantia* (purchaser) himself or his servant, though it is the seller who pays the weighing charges. In Madras he is selected by the seller and paid by both parties. In Middle Gujarat, as a rule, the cultivator himself does the weighing, but where a professional weighman is employed the seller has to pay him. In some villages of the Middle Gujarat area the right of acting as weighman is auctioned, and the money realised is disbursed on various village funds and charities. In Khandesh the weighman is usually selected by the seller, and paid by both parties. The practice in the other areas has not been clearly reported.

On the whole it would appear that in Sind and to a certain extent in Madras weighment is not satisfactory from the cultivators' point of view, while in the other areas they are generally satisfied with it.

Payments are usually made promptly. In this as in the other respects Sind is again an exception, because the money lenders there are the purchasers of *kapas* to a very large extent, and they credit the sale proceeds to the cultivator's debt account. In the other areas payments are usually made the day the crop is sold, or very soon after.

No village storage facilities exist in any of the areas investigated. Cultivators store *kapas* in their own huts, and not with the *bania* or petty trader.

**Storage.** The lack of adequate storage facilities is one of the serious defects in the organisation for sale in the village. There is considerable risk of the *kapas* being spoiled or destroyed by fire and this is one of the reasons which induces the cultivators to sell as quickly as possible.

One of the most important findings of our investigations is that the rates in the villages compare very favourably with those prevailing in the **Rates-Village and Market rates compared.** markets. This shatters another common belief as it was considered that market rates were much higher than those in the villages, and that it was clearly of advantage to the cultivator to sell in the market. The evidence in all the investigations uniformly points to the contrary. Even in Sind where there was so much complaint about concealment of the true rates, it was found that market rates were just a shade higher than the village rates, and this is but natural considering the transport charges that have to be incurred in carrying the *kapas* from the village to the market. In a few cases, particularly in Madras, the village rates were even better than the rates current in the market. The explanation for this phenomenon is to be found in the anxiety of village traders to fulfil their forward contracts within the stipulated time. The cotton purchasing organisation has become extremely elaborate. The big purchasing or exporting firms have their agents and sub-agents all over the cotton growing tracts, and these are kept informed daily by wire of the rates in the big markets. Petty traders in out-of-the-way villages also keep in touch with every movement in the big markets. The intensity of the demand and the facilities afforded by the telegraph for the rapid dissemination of information about cotton prices have naturally led to a close correspondence between village and market rates.

In Berar and Madras there was a slight decline in rates as the season progressed. In Middle Gujerat, there was a slight decline for Broach cotton but for *Kanhvi* prices were steady. In Sind and **The Trend of Prices.** Khandesh prices generally remained constant throughout the principal part of the selling season. In the Punjab there was a decline in December 1927, but an upward movement again in January 1928, both for American and *Desi kapas*. These facts show that in the season when these investigations were carried out it would not have been profitable in most cases for the cultivator to hold his *kapas* in the expectation of higher prices. The point is important as people are sometimes apt to argue as if holding was always profitable.

Having now discussed all the points which had to be considered in order to make an estimate of the success or otherwise of the organisation for sale in the village, we think we are justified in saying that **General comment on the Organisation for sale in the Villages.** the organisation for sale in the village is on the whole satisfactory. Against the disadvantages of weighment and lack of storage, there are the decided advantages that disputes are very rare, no charges are paid as in the market, except the weighmen's services; payments are as prompt, and the rates obtainable in the village itself compare very favourably with those in the market.

The evidence regarding advance sales is neither adequate nor uniform. There is no exact information for the three inquiries of 1925-26, nor for the Punjab inquiry of 1927-28. In Madras no advance sales were reported. In Khandesh, advance sales, or

**Time of sales.** "Jalap sales" as they are there called, were negligible.

**Advance sales.** Only in two villages of East Khandesh were such sales effected. The amount sold in advance came to only 0.2% of the total outturn. In Middle Gujarat 5% of the total outturn was sold in this way by 6% of the cultivators. The rates obtained proved favourable to the sellers. These advance sales were not made out of any urgency for funds but were really forward transactions and no money was paid until delivery was given. In Sind 148 cultivators *i.e.* 20% of the number, sold in advance, though the amount came to only 9% of the total outturn. These sales were mostly forward transactions; and were of three kinds; (a) sales of definite amounts ranging from 2 to 35 *maunds* (made by 102 cultivators), (b) sales of the whole crop (by 27 cultivators), and (c) sales of half the crop (by 19 cultivators). Here too the rates obtained proved favourable to the sellers in many cases as the market did not rise to the level of the rates fixed in advance. Prices were fixed per *maund* in all cases except five, where the whole or half the crop was sold for lump sums. In each of these five cases the purchaser appears to have scored; in one case in particular, he received nearly 40 *maunds* of *Kapas* for Rs. 100 while the normal price was Rs. 13 per *maund*. In these five cases money was paid to the cultivator immediately and not deferred till delivery was given; they were therefore cases of advance sales arising out of urgency for funds, and not like the others which were in the nature of hedge transactions.

We may therefore generalize by saying that cotton cultivators do not as a rule sell in advance, but that when they do, advance sales are not made out of any urgency for funds (except in rare cases) but are really speculative forward transactions.

Table X gives the figures of early and late sales which however relate only to the five inquiries of 1927-28. For Berar no general figures are

**Time of sales** available, but it was found that "considerable quantities of *kapas* were held up until quite late in the season," and  
(*contd.*) that there was "no indication of any extreme urgency on the part of the cultivator to dispose of his *kapas*."  
**Early and Late Sales.** In the Khandesh inquiry of 1925-26 the same conclusion was arrived at: "The early sales were trivial although half the crop had been picked." "The cultivators' replies show that they can and did hold their *kapas* until January in the hope of getting better prices; this is three months after harvest. There is clearly little pressure to sell." In North Gujarat investigations started late and the record of sales is imperfect; but the main conclusion was that "unlike Khandesh and Berar the cultivators of North Gujarat did not hold their cotton for any appreciable time after picking but disposed of it as soon as possible either locally or in some neighbouring market centre."

The relative importance of early and late sales in the remaining five inquiries *viz.* those of 1927-28, will be seen from the following figures;—



*Percentage of the amount sold.*

							<i>Early.</i>	<i>Late.</i>
Khandesh .. .. .	..	..	..	..	..	..	11%	89%
Middle Gujerat .. .. .	..	..	..	..	..	..	60	40
Sind .. .. .	..	..	..	..	..	..	48	52
The Punjab .. .. .	..	..	..	..	..	..	20	80
Madras (Westerns & Northern tracts) .. .. .	..	..	..	..	..	..	12	88

These figures may be read in conjunction with the following table which also throws some light on the extent of early sales.

	Total outturn.	Pickings in the early period.	Percentage of the early pickings to total outturn.	Amount of the picked crop sold early.	Percentage of the crop sold early to that picked.
	Lbs.	Lbs.	%	Lbs.	%
Khandesh .. .. .	1,940,876	1,249,111	64.4	192,046	15.4
Middle Gujerat .. .. .	3,232,768	2,293,800	71	1,925,000	84
Sind .. .. .	3,386,880	2,220,480	64	1,442,800	65%
Punjab .. .. .	(No information)				
Madras .. .. .	839,248	568,830	68	87,704	15

The two tables given above clearly show that in Khandesh, the Punjab, and Madras (Westerns & Northern tracts) early sales are very small, and by far the larger portion of the crop is sold late. On this point the Khandesh investigation of 1927-28 completely confirms the previous one of 1925-26. The percentage of picked crop sold early is much greater in West Khandesh (35%) than in East Khandesh (9.5%), indicating that the extent of holding on was much greater in the latter district. In the Punjab, a large number of early sales was made for the purpose of paying off Government assessment and water rates.

In Middle Gujarat, owing to the season being unusually late, the entire selling season was confined to a brief period of about a month and a half, sales had therefore to be done quickly. Consequently no general conclusion is deducible from the large amount sold early in this tract. It certainly cannot be attributed to any pressure from the lenders.

In Sind 65% of the crop picked in the early period was sold in the same period. The tendency therefore runs counter to that in Berar, Khandesh, the Punjab, and Madras. It has been pointed out in the Sind Report that there is a probability of the figures of late sales having been augmented to the extent of nearly 4000 *maunds* or about 350,000 lbs. and that consequently the actual percentages of early and late sales would be nearer 66 and 34 than 48 and 52 respectively. There are therefore good grounds for stating that holding the crop is not appreciable in Sind, and that this is a result of a good deal of pressure exercised by the lenders.

The figures given above show that holding the crop for substantial periods was practised by the cultivators in all the areas except Sind and North Gujarat. In some of the areas there was a downward

**Holding the crop.** trend of prices as the season advanced, and therefore holding must have proved unprofitable.

One fact therefore plainly emerges from the results of the investigations, viz., that the popular conception, that cultivators are unable to hold their crop for any length of time by reason of their borrowings and the pressure exerted on them by lenders, is erroneous. The inquiries conclusively show that cultivators can and, as a matter of fact, do hold the crop for considerable periods and further, that when they do sell early, it is not because they are financially pressed, but because of their fear of a falling market and the risk of loss by fire and other causes. The only pressure to sell early was that exercised by the necessity of paying Government assessment, and in the Punjab, the water-rates by the due date.

Holding the crop is sometimes due, as in Madras, to the fact that the quantity of the *kapas* gathered at each picking is too small to be conveniently sold, so that it may be necessary to store it and sell the whole lot after the last picking.

The investigations in seven different cotton growing tracts go to show that cultivators do not as a rule gin their *kapas* and sell lint. The only area where lint sales are at all substantial is Madras (Westerns and Northern tracts), where 13% of the total crop was sold after being ginned. In Khandesh about 5.5%

**Lint Sales.** of the total crop was ginned; and here, it would seem, lint sales were very profitable. In Middle Gujarat no lint sales are reported. This is surprising in view of the existence of a large number of ginning factories near the villages investigated. It is not certain however whether this result is due to the lateness of the season or to an omission to investigate this point properly. In Sind and the Punjab lint sales were negligible. Such was also the case in North Gujarat excluding the Morvi State. In Morvi all the cotton is hand ginned and handed over to the State officials who sell it by public auction in the Morvi market. In Berar a few cases of sales of lint were recorded and the prices obtained were also more advantageous than those for *kapas*.

A large part of the crop which remained unsold at the end of the investigations was in the form of lint.

On the whole lint sales were comparatively few, and this may be partially attributed to the difficulties in the way of most cultivators in ginning their *kapas* and selling the lint. The idea of co-operative ginning has not yet been successfully taken up by the cultivators.

In none of the villages selected in any of the eight enquiries was there a co-operative sales society for the sale of cotton like those at Hubli, Gadag and Haveri in the Dharwar District of the Bombay Presidency. One such society exists in the Pachora market (East Khandesh) and this will be referred to in the next section on markets.

The amount of unsold cotton in the hands of the cultivators at the end of the investigations varied in the different areas, as will be seen from the following figures which relate only to five enquiries of 1927-28 :—

	Percentage of crop remaining unsold to the total outturn.	Percentage of the cultivators with unsold crop to the total number recorded.
	%	%
Khandesh .. .. .	7.3	7.6
Middle Gujerat .. .. .	1.6	6
Sind .. .. .	11	18.4
The Punjab .. .. .	10	(Not known)
Madras (Westerns & Northern tracts) .. .. .	12	5.4
General Average .. .. .	7.8%	9%

A considerable part of the unsold crop was in the form of lint. The general average would have been substantially reduced if the third period investigations in each area had been postponed by a few days although a certain amount would have been retained for domestic purposes. The high percentage of the unsold crop in Madras is due partly to domestic requirements and partly to the fact that cultivators were holding the *kapas* or lint in the expectation of higher prices. The high percentage in Sind may be due to the one or both of the two causes :—(a) A large number of cultivators either deposited their crop with the *bania* or *sowcar* for sale, or had it taken away by the *sowcar* for disposal under the agreement to that effect entered into when loans were made. In each case accounts were not to be settled until the month of Fagun (March-April), although the crop might have been sold in January or February. The cultivators, not knowing whether their crop had been actually sold or not, reported it was "not sold". It is therefore likely that the figure of unsold *kapas* in Sind is exaggerated. (b) The other reason for the high percentage of unsold *kapas* in Sind is the lateness of the season due to the excessive floods in the Indus. The floods destroyed a large part of the crop, particularly in the Jamrao Canal district, necessitating resowing over a large area. The season was late in some tracts by about a month.

The general conclusions regarding village sales may be recapitulated thus :—

**General Conclusions.** (1) Cultivators in each of the areas except Berar (where there are regulated cotton markets) show a decided preference for sale in the village as opposed to the market.

(2) The sale organization in the village is on the whole satisfactory. Although weighment is generally defective and sometimes deceitful, and storage facilities entirely lacking, yet there are no disputes, and (except in Sind) no customary allowances or charges (except for the weighman's services), payments are usually prompt. There are always ready buyers and the rates offered compare very favourably with those obtaining in the market.

- (3) The usual method of disposal is to sell outright. In a few cases (chiefly in Sind) the crop was deposited with the *bania* or *sow-car* for sale. In Morvi, the sales must all be made through the medium of the State.
- (4) Village or itinerant petty traders are the principal buyers. The money lender is not a purchaser of *kapas* on his own account to any appreciable extent; and, except in Sind and Middle Gujarat, the agents of the big cotton merchants and ginowners do not usually purchase cotton direct from the cultivators.
- (5) The weight systems are very confusing. Often in the same area (and sometimes even in the same village) more than one system is in vogue.
- (6) The weights used in the villages are usually crude, consisting of pieces of stone or brick in a small bag. Beam scales are mostly employed. Cultivators have as yet no faith in platform balances or weighbridges.
- (7) Contrary to popular opinion, the rates in the villages approximate very closely to those in the market, (allowing, of course, for transport and market charges).
- (8) Advance sales are very few; where they occur they are speculative forward transactions rather than sales caused by necessity.
- (9) Early sales are small compared with late sales (except in Sind and North Gujarat). Contrary to the common belief, cultivators (except in the two areas mentioned) can, and do hold their crop for considerable periods and where they do sell early it is often because they fear a falling market rather than because they are financially pressed.
- (10) Very few cultivators ginned their *kapas* and sold lint.

#### IV. MARKETS.

As explained in the introductory section of this report, select markets were examined in each of the areas investigated, the intention being to ascertain the system of sale and the organisation, and how far they were used by the cultivators in the disposal of their produce. The names of the markets visited are given in Appendix E. The statements relating to these investigations are given in Table XII.

**The Market Investigations.** In Berar the cotton markets are organised and regulated under the Berar Cotton and Grain Markets Law of 1897 and each is provided with a market committee and a set of rules and bye-laws. In no other part of India do such regulated and organised markets exist. They are merely the district or taluka headquarter-towns or important villages where ginneries exist to which cultivators and traders from the surrounding area bring their produce for disposal. It is only to be expected that

**Distinction between the Markets in Berar and those elsewhere.**

such markets vary considerably in their degree of development. On the one hand some possess a market-yard, a *panchayat* of the local people (buyers, *adatyas* and ginowners) interested in the cotton trade, which exercises a greater or less degree of control, and there are certain recognised rules of dealings, market charges, and customary rates of allowances; in fact they are similar to the markets of Berar with this difference that their *panchayats* or market committees are not constituted under any statutory enactment nor have their practices and customs the binding authority of the Berar markets, and their *adatyas* or brokers are not licensed. Such are some of the markets in the Punjab and in Khandesh. On the other hand there are markets which have no common meeting place and no control of any sort; sellers have to go from one ginning factory to another, each factory constituting the "market place" for its own purchases. Such are some of the markets in Sind. Between these two extreme types there are several gradations.

It will be convenient to describe first the organisation of the Berar cotton markets. Their organisation is governed by the **Regulated Cotton Markets--The Berar Markets.** Berar Cotton and Grain Markets Law of 1897. This was a Notification issued by the Government of India in the Foreign Department when Berar, then known as the "Hyderabad Assigned Districts," was under its control. The full text of this Notification (v) is given in Appendix G. The Law provides only for the notification of certain places as markets, but leaves the appointment of market committees to be provided for by rules framed under Section 4 of the Notification. A copy of the Rules under the Berar Cotton and Grain Markets Law is given in Appendix H. Although the Berar Markets Law is meant for "cotton and grain" the markets are used chiefly for cotton. There are at present 26 notified markets in Berar.

They are managed by market committees of five members, three of whom are elected by cotton dealers, and two by the Municipal Committee. (w) No representation of growers on the Committee is provided for and this constitutes a serious defect. The Deputy Commissioner of the District supervises the work of the Committees, and exercises a good deal of control in matters, *e.g.* the appointment of the Chairman, executing works or effecting expenditure exceeding a prescribed amount, making or altering market by-laws etc.

It is interesting to note the qualifications for membership of the committee. The persons eligible are :—

- (i) Members of the Municipal Committee who are *not* in any way connected with the cotton trade.
- (ii) Persons who on their own account have bought or sold in the market in the preceding year not less than 100 *bojas* (39200 lbs.) of ginned cotton or 100 *khandis* (78,400 lbs.) of unginned cotton.

---

(v) Notification No. 1727—IB, dated 6th May 1897.

(w) Where a market is not within municipal limits, the Sanitation *Panchayat* or the District Board takes the place of the Municipal Committee.

- (iii) The principal (or the next senior) agent of every firm which has likewise purchased or sold at least 500 *bojas* of ginned, or 500 *khandis* of unginned cotton,
- (iv) An *aratya* who has purchased or sold at least the amounts mentioned in (iii) above.

Provided that a person is not eligible for membership if he resides five miles outside municipal limits, is under 21 years, of unsound mind, or insolvent or convicted of an offence, or is a servant or contractor of the committee or being a buyer or seller has not his name registered.

The market committee maintains the necessary market staff, checks weights and scales, carries out and supervises works in the market-yard, recovers market cess and license and registration fees, keeps accounts, provides for audit, maintains records of arrivals and sales, licenses brokers and weighmen, registers buyers and sellers, and generally supervises and controls the market.

Every buyer and seller has to register his name with the market committee and this can be done on payment of such fees (not exceeding Rs. 50 and in the case of an *aratya* Rs. 100) as the committee prescribes and on the execution of an agreement to conform to the market rules (x).

In this connection attention is invited to the following extracts from the interesting report on the market investigations carried out in Berar in 1925-26, submitted by the Agricultural Department :—

*Adtya*.—"The cotton market rules do not prescribe any qualifications for an *adtya* and any person who pays the required amount of fees can register his name as an *adtya*. This system of indiscriminate granting of licenses has brought into the market a number of persons about whose malpractices complaints have not been infrequent. Realising this harm, the Yeotmal cotton market has framed rules defining the minimum requirements of an *adtya*. According to these rules persons who pay to Government either Rs. 200 or more as land revenue or Rs. 50 in the shape of income-tax or who furnish a security of Rs. 1000, and in addition furnish certificate of good moral character shall only be eligible to register their names as *adtyas*. Such restrictions are desirable and necessary to exclude persons of doubtful character from taking any part in the dealings of the cotton market.

The *adtyas* employ a number of servants to help them in their business. These servants move about in the market securing new constituents in the *adat* of their employer. The *adtya* is very particular about keeping his new constituents pleased and one of the various ways by which he does this is to secure for their *kapas* as high a rate as possible. Sometimes he sells all the *kapas* carts in his *adat* at a flat rate and at the time of payment so distributes the sale proceeds as to give his new constituents a little more

---

(x) The form of the agreement to be executed by an *aratya* under this rule is reproduced in Appendix I.

than to his old constituents. To put a stop to this practice the Khamgaon cotton market has passed a resolution which runs as under :—

“Buyers should keep a register giving serial number of *kapas* carts of every *adtya*, the name of owner of the carts with the names of villages, etc., and the rate at which *kapas* is bought; and if there are various sorts of cotton in one cart, separate rates should be settled for varieties and entered in the book. The *adtya*'s accounts should tally with those of the buyer's and the *adtya* should not be authorised to settle the rates of all his *kapas* at one rate.”

Besides his *adat* business in marketing *kapas* the *adtya* deals in cotton seed and this latter is a very fruitful source of income to him. Some *adtyas* also supply seed on the *sawai* system.

*Broker*.—A broker is a person who does buying or selling for others. In Berar a broker acts mostly for the buyer and gets brokerage or commission for the services rendered by him. Sometimes he acts as a middle-man between the seller and the buyer. He is not, however, like the *adtya* concerned with the weighment of *kapas* and payment of the sale proceeds to the seller. In the cotton markets of the Buldana, Akola and Yeotmal districts, a broker is employed by a buyer only to settle bargains of lint. Well-established firms have their own brokers through whom they carry on all their purchases and sales of cotton.

*Weighmen*.—The gain or loss of the buyer depends upon the skill of the weighman in handling the scales where weighments of *kapas* are made by means of beam scales. Before the proper organisation of the cotton markets in Berar, the weighmen used to be the servants of the buyers, and the sellers had to suffer considerably. The weighmen are now required to obtain licenses from the cotton market on payment of the required amount of fees.

In spite of the active control and regulation there do exist in the Berar markets certain malpractices which were brought to light by the investigations carried out there. The *adatya* and the buyer often act collusively, and though the seller is not bound to engage an *adatya* he is invariably forced to do so. The buyers sometimes give secret commission to the *adatyas*, and because of this the latter subordinate the interests of the sellers to those of the buyers. The system of fixing rates under cover leaves the sellers entirely in the dark, until the cart is taken to the ginning factory for weighment. There the seller is harassed by vexatious disputes about quality which the buyer raises in order to get allowances in weight or reduction of the rate bargained for. The seller has invariably to submit to the allowances and reductions claimed by the buyer, as it is too late for him to go elsewhere. When this account is compared with the state of affairs in unregulated markets of the other areas, it will be seen that there is not much difference from the point of view of cultivator-sellers. It has been well said, “The theory of management is considerably better than the practice in most of the markets of Berar, and there is considerable scope for improvement in the interests of the cultivator”. (y)

---

(y) See in this connection the criticism made by the Royal Commission on Agriculture in para. 328 at p. 390 of their Report.

In connection with regulated cotton markets it may be mentioned that H.E.H. the Nizam's Government have lately decided to introduce an experimental cotton market at Parbhani on the lines of

**The Parbhani Market.** the Berar markets, but with certain improvements. The draft rules (z) provide for a managing committee consisting of an officer appointed by Government as Chairman, three representatives of cotton buyers and dealers, and five representatives of the growers (of whom only three are to sit on the committee at any one time). The members are not to be elected but are to be nominated by the Government. The market will probably be started next year and if this experiment proves successful similar markets will be established all over the State.

In Bombay too, an Act called the Bombay Cotton Markets Act was passed in 1927, with the object of enabling open cotton markets to be established in places where there is a demand for them. The

**The Bombay Cotton Markets Act, 1927.** The measure was sponsored by the Indian Central Cotton Committee, which also drafted model rules in 1923. (See Appendix K) (a). The city of Bombay and Karachi are expressly excluded from the operation of the Act because cotton transactions in Bombay are governed by the Bombay Cotton Contracts Act (XIV of 1922), and it is not the intention to use the Act to regulate wholesale trading in baled cotton. The Act is only an enabling and permissive one, and empowers the Local Government by notification to declare that any place shall be a cotton market under the Act.

The Bombay Act is in several respects an improvement over the Berar Market Law. An essential feature of the Act is that local opinion is to be consulted before any cotton markets are notified, and this is to be done through the District Local Board and other local authorities (b) (which probably

---

(z) These have been given on p.92 of the Report of the Indian Central Cotton Committee for the year ending Aug. 31, 1928:

(a) The same rules are now being used as a basis for the draft rules under the Act which the Government of Bombay have instructed the Director of Agriculture to submit.

(b) The Royal Commission on Agriculture was not in favour of making the establishment of markets optional. "We apprehend," they say, (in para. 331 at p. 392 of their Report), "that the need for the establishment of regulated markets may not in the beginning be appreciated and we do not consider it desirable that their establishment should be dependent on the opinion of a local committee however constituted. These markets are required primarily in the interest of the cultivator and it is he who is best likely to be adequately represented on such a committee. Nor is it probable that, at the outset, he will be sufficiently aware of the extent of the assistance a properly regulated market can give him to press for its establishment. We are, therefore, of opinion that the local Government must take the initiative and that markets should be immediately established in a few suitable centres".



include the Divisional Cotton Committees which already exist since 1922 for Gujarat, Khandesh, Sind and the Southern Division). Secondly, the grower is under the Act to be given representation on the market committee. The Act itself provides for the constitution of the market committee. It shall consist of not less than 12 and not more than 16 members of whom not less than half shall be persons elected by the growers of such surrounding area as may be prescribed, one each shall be elected by the District Local Board and the Municipality (if any) of the area within whose jurisdiction the market is situated, one shall be nominated by the Local Government, and the rest shall be elected by the traders in the market. Thirdly, the Act specifically provides that no trade allowances (whether in weight or in price) other than those prescribed by rules or by-laws made under the Act shall be made or received by any person, or shall be recognised by any civil court. Fourthly, under the Act the surplus of the market committee's funds are to be invested and utilised for certain purposes connected with the market (for which the rules will prescribe) while in Berar the surplus is automatically transferred to the District Board or municipal committee within whose jurisdiction the market is situated. And lastly, the market committee shall under the Act become a body corporate with all the competency and powers which corporate bodies have. In all these respects the Bombay Act has made use of the experience of the Berar markets and introduced several important improvements.

As already stated the organisation in unregulated markets differs widely from place to place. Generally speaking there is no committee or *panchayat* to regulate the affairs of the market and the dealings between parties (except in a few *mandis* or markets in the Punjab). At the same time there are certain recognised modes of dealing and certain practices as in the levy of market charges which are generally adhered to.

#### **Unregulated Markets—their organisation.**

There are two classes of buyers in most of the markets: (a) the big merchants or exporting firms who have either their own agents in the market or utilise the services of commission agents to make the required purchases; (b) town merchants, who purchase cotton on their own account from the sellers who come to the market. At some places ginowners are also purchasers of *kapas* on their own account and to that extent they fall in the same class as town merchants. Likewise there are two classes of sellers: (a) growers and (b) village petty merchants or itinerant traders who having purchased stocks of *kapas* in the villages come to the market to sell. In between the buyer and seller there comes the class of middlemen or brokers called *adatyas*, *arhatyas* or *artis* in the different areas. In certain markets, e. g., Nandyal (in Madras), there are no brokers, sellers coming into direct contact with buyers.

The market place or yard (where it exists) is in some cases provided for by the municipality (which levies a small tax on carts parked there), but in most cases by some influential local merchant or ginowner. In a number of places, however, there is no market-yard. The carts stand all over the town. In the two markets investigated in Madras (Westerns and Northern tracts) this defect was very noticeable, the carts being parked along the roadside all over the towns causing congestion on the roads and obstruction to the other vehicular traffic. In Sind and in most of the Middle Gujarat markets

the camels or carts are taken direct to the compound of a ginnery in the market. In some of the Khandesh markets (as also at Adoni in Madras) regular market places are provided only for the meeting of the parties and their *dalals*, but not for the parking of carts. This causes serious inconvenience as buyers and *dalals* have to waste much time in inspecting the samples.

Hours of business in most markets are fixed, but they, of course vary from place to place.

The details of how sales take place at the market of each area are given in the respective reports. There is a certain degree of similarity in the method of sale in all the areas, and this may be briefly described :—

Carts arrive up to 10 or 11 a.m. and are parked at the market place if there is one or at various places scattered throughout the town. Immediately on arrival the seller invariably engages an *adatya* to transact sales. At about 10 or 11 buyers and *adatyas* begin to move about examining samples. In most places the rates are fixed under cover by the buyer and the seller's *adatya*, and the seller is in complete ignorance of what has taken place. In a few markets, however, e.g., Adoni, buyers and *adatyas* meet at a common place after the inspection and the buyers proclaim the rates, the highest rate offered becoming the ruling rate in the market for that day.

In most cases, however, the real bargaining begins when the cart is taken for weighment to the ginning factory nominated by the buyer. It is here that disputes or *vandhas*, to be referred to later, are raised by the buyer. After the disputes are settled and the *kapas* weighed the seller has generally to wait for some time, as payments are made late in the evening. The *adatya* is paid a lump sum for all the lots purchased through him, and this he distributes among the several sellers who engaged him, after deducting his commission and other charges.

The above is a description of the system of direct sale which prevails generally in Khandesh, Berar, the Punjab and also at Adoni in Madras. There are in addition three other systems of purchase and sale in the market. These are :—

(i) The Forward Contract System. This system is found to a considerable extent in Madras and is adopted by the big cotton merchants who make forward contracts with the town merchants who, in their turn, make sub-contracts with the village petty merchants and other small traders.

In the Punjab this forward contract may be of two kinds (a) the price may be fixed in the contract, (b) the price may be left unfixed. In the latter case the seller has the option of fixing the price on any day within the time prescribed for this purpose in the contract, the price so fixed being that which the buyer is giving in the market on that day. If the seller does not exercise this option the buyer will fix the rate as that ruling on the last day of the period named. This price is final and binding on the seller. The forms of these two types of forward contracts are given in Appendix L. It may be noted that a sale made under the "Unfixed" contract bears some analogy to

the "*Mogham sale*" in East Khandesh described on page 24 ante, in so far as the seller has the option of fixing the rate on a day subsequent to the sale.

(ii) Sales by Samples. Under this system petty merchants and cultivators bring samples of their *kapas* to the market, show them to the buyers and strike bargains with them. The *kapas* is then despatched direct to the ginneries nominated by the buyers after three or four days. This system obtains in a large measure in the Broach district of the Middle Gujerat tract.

(iii) Sale by Auctions. In the Punjab and particularly in the Multan District, auction sales of the *kapas* of large cultivators take place every few days. The daily pickings are sent by *zamindars* to their market agents who store them and when a sufficiently large quantity (about 500 maunds) has been accumulated, an auction is notified and buyers invited. Weighment takes place at the agents' godowns, and the buyers have to pay before they are allowed to remove their purchases. In the Pachora and Chalisgaon markets in East Khandesh, and in the Malegaon market in Nasik, an auction sale system prevails also, but this bears no resemblance to the Punjab system and differs from the system of direct purchase and sale. Each cart arriving in the market is put up to public auction separately, but in Malegaon the bidding is secret.

In Sind and in a very large part of Middle Gujerat the arrivals in the market are merely consignments made by the village agent of the buyers or ginowners.

The most important part in the sale transaction is undoubtedly that played by the *adatyā*, *arhatyā*, *arti*, *dalal* or *dalalidar*, as the middleman is called. An *adatyā* is a broker, but the distinction between an *adatyā* and an ordinary broker may be noted. An *adatyā* makes himself responsible to the seller for payment in contradistinction to the ordinary broker who merely brings the buyer and seller together and there his function ends. The *adatyā* has to do everything necessary for carrying out the sales, such as settlement of the rate of allowances and deductions, carrying on or supervising and checking the weighment and making payment to the seller. In the Shirpur market in Khandesh *adatyās* sometimes work on what is called the "*bin-zokhim adat*" or *adat* "*without risk*", that is to say, they make the payment not immediately as *adatyās* ordinarily do irrespective of whether they themselves are paid by the buyer or not, but only if and when the money is received from the buyer. This system is not popular with the sellers.

In no market is it obligatory upon the seller to engage an *adatyā*, and in some markets, *e. g.*, Nandyal, there are none. The seller may sell direct and thus save commission and some other charges, but there is always an apprehension in the mind of the seller that without an *adatyā* to champion his cause he would be at the mercy of the buyer in the disputes or *wandhas* that are sure to arise, and he would be mulcted considerably in allowances and reduction of price. Moreover big buyers do not encourage selling without an *adatyā* if for no other reason than that an *adatyā* brings with him several sellers and considerable clerical work is saved. It is also more convenient to the buyer to make one single payment to the *adatyā* than

several small payments to individual sellers who are mostly ignorant and take a lot of time—and words—to understand the calculation. There is also another reason why the cultivator engages an *adatya*. In most of the markets buyers make payment at such a late hour that the cultivator has no time to make purchases with the money. The *adatya* usually gives small advances, called “bazaar advances” to the seller when his services are engaged. It thus comes about that though an *adatya* need not be engaged the seller usually employs one.

At none of the markets is it usual for the buyers to employ brokers, although big purchasers, and particularly the non-local ones, often employ a local broker. Sometimes, as in Berar and Khandesh, the buyer's broker is the *adatya* himself. Generally speaking, however, the *adatya* does not act for both buyer and seller, but acts for the seller only. Nevertheless, there was a general complaint by the sellers in almost all the markets that the *adatya* did not sufficiently fight the seller's battles and was too ready to yield to the buyer.

**Rates.** In the Berar markets rates are posted up but in the unregulated markets of the other areas rates are not announced or posted up except at a few places (e.g. Pachora). Each buyer gets the daily rates by wire from Bombay or Karachi and these are kept secret. At some places the system is for the buyers to declare their rates, and the highest rate offered becomes the ruling rate for the day, but as the buyer who has declared the highest rate is not bound to buy all the *kapas*, the rates are generally reduced after a few carts have been sold. The rates quoted are for the best quality; inferior qualities naturally command lower rates.

Bombay (or Karachi) rates are converted into local rates by certain calculations which are explained in the individual reports. These vary greatly, depending upon the ginning percentage of the *kapas*, the transport charges from the market to Bombay (or Karachi) and the local ginning and pressing charges. Bombay rates are for a *khandi* of 784 lbs. of lint and these have to be converted into the local standard for *kapas* transactions in the particular area.

The weight systems are very confusing as they differ greatly from one area to another, and even from one market to another in the same area.

**Weighment.** In 16 markets of the East Khandesh district the *maund* has 13 different values, ranging from  $21\frac{1}{2}$  *seers* to 80. *seers*

The weight systems in the markets investigated are given in Appendix F. Standardization is one of the most pressing necessities for the improvement of marketing.

Weighment is invariably carried out at the ginneries except at Pachora, where it is done by the co-operative sale society. The weights and scales used at the ginneries are correct. The complaint about unsatisfactory or fraudulent weighment made in the last section refers only to weighment in the villages. All ginning factories are required under Section 6 of the Cotton Ginning and Pressing Factories Act XII of 1925 to use the scales and weights prescribed by the Local Government. The rules framed under Section 13 (c) of the same Act provide also for the inspection of the scales and weights.

The scales used are usually beam scales but in a large number of ginneries weighbridges are now installed.

Although the weights and scales are correct, complaints by the sellers were common in almost all the markets about the manipulations of the weighman.

The employment of the weighman is not uniform. In some cases he is the paid servant of the ginowner; in Khandesh he is generally the *adatya's* servant; in some other places he belongs to neither party but is employed for each transaction. In the case last mentioned there are again several sub-systems: He may be (i) selected and paid by the buyer (ii) selected and paid by the seller or his *adatya* (iii) selected by the one and paid by the other, (iv) selected by the one and paid partly by the one and partly by the other, and so on, through all the possible combinations. Where the weighman is a servant of the *adatya* or ginowner, he is paid a fixed amount for the season but his employer recovers from each seller a certain sum as weighing charges. Where he is independently engaged he gets his remuneration per *maund*, *boja* or cart, or whatever else may be the customary mode in the market.

Disputes or *vandhas*, or *kadadas* as they are called in Middle Gujarat, occur in all transactions whether in the Berar or in the unregulated markets.

The buyer claims that the *kapas* throughout the whole cart is not of a uniform quality, or where the sale was by sample, that it is not true to sample, or that there is an admixture of dirt, leaf, foreign matter, boll worm

**Disputes and Deductions.** stain or moisture. These disputes constitute the most serious obstacle in the way of cultivators utilizing the markets. Sometimes the complaints are genuine as the sellers are often guilty of malpractices, but in the majority of cases the buyers are to blame. They agree to a high rate, and when weighing has commenced they try to get deductions by raising disputes. The deductions are of two kinds:—(i) allowance in weight, claimed for dirt, leaf and other admixture, and (ii) reduction of the rate first agreed upon, which is claimed for inferior quality, stain and unevenness. Sometimes both kinds of deductions are demanded. The *adatya* does put up the semblance of a fight on behalf of the seller but the buyer has usually the upper hand. The seller cannot take away his cart because it is then too late to find another buyer and, moreover, there is often an understanding among the buyers that no one will buy a lot rejected by another except at a very low price.

The extent to which these deductions are forced upon the seller is indicated in the individual reports.

There is no impartial agency for the settlement of disputes, either in the regulated markets of Berar or in the unregulated markets. The *adatya* generally acts as a mediator or conciliator. At Pachora (East Khandesh) disputes are referred to a representative of the Cotton Sale Society, but he too is only a conciliator, and not an arbitrator. At Shirpur (West Khandesh) disputes are sometimes referred to the Cotton Merchants' Association for settlement.

Disputes were most frequent in Khandesh, Berar and the Punjab and at Adoni in Madras. In the Middle Gujerat markets disputes or *Kadadas* (c) appear to be few in number partly because *kapas* brought to a market is of a more uniform quality, and partly because there is very keen competition among the buyers. In Sind there are very few direct purchases in the markets, and consequently few occasions for disputes.

The system in the Chak Jhumra market of the Lyallpur district in the Punjab militates against the occurrence of disputes, and is therefore deserving of notice. In this market the *artis* have formed themselves into a league to work wholeheartedly in the sellers' interests. All *kapas* brought is unloaded in front of the *arti's* shop and every opportunity is given to the buyers to inspect it. No deductions are afterwards permitted either in weight or in the rate bargained for. The extra cost of unloading and reloading is borne by the sellers. This clearly suggests a remedial measure which might be introduced in the regulated markets\* with profit to the sellers.

Besides the deductions which the seller has to submit to on account of disputes, there are in most markets certain customary allowances in weight (a few lbs. per *maund*) which the seller must give to the buyer. These allowances are sometimes (as in Baroda) taken in lieu of cash for the services of the *mehta* or clerk or for the weighman.

There are also certain other customary market charges in cash or kind. The rates at which these are levied vary considerably as will be seen from Appendix M. The principal ones may be briefly noted :—

*Adat* is the commission which the *adatya* takes for his services and the rate varies from market to market with the degree of his acquaintance with the seller.

*Weighing charges* are levied in cash or in kind.

*Dharma or charity* : A few pice per *maund* is usually taken by the *adatya* for the purposes of charity, such as *Gowrakshan*, *Pani rapol*, Dispensary, School, Temple or other local institutions.

*Labour or hamali* :—Labour employed in unloading carts for weighing is paid for by the seller and that employed in stacking the *kapas* after weighing is paid for by the buyer.

(c) A *Kadada* is really a weight deduction as a result of the dispute, but the word has come to be applied to the dispute itself.

\* It may be noted that this is not attempted by Section 13 of the Bombay Cotton Markets Act, 1927 (See Appendix J), because under the Explanation to that section deductions on account of deviation from sample or on account of the admixture of foreign matter do not fall within the meaning of the term "trade allowance."

*Discount* : Sometimes when the seller wants to be paid in coin instead of in notes a small deduction (of about 4 annas per Rs. 100) is made

*Mchta Sukhadi* : is payment for the services of the *mchta* or clerk of the buyer. This is taken only in Middle Gujerat and is often a composite charge for weighman, *hamali* and incidentals.

*Insurance* : In cases where *kapas* is stored with the ginowner or *adatya* on sellers' account, a small charge is taken for insurance. In Middle Gujerat this charge is taken from all sellers, and it is not clear why the seller should pay for insuring the property of the buyer.

*Market cess* : Where the municipality provides the market yard a ground tax (of about 2 annas per cart) is charged. Some municipalities also charge octroi duty or levy a toll.

*"Association" or Panchayat* :—At one or two places a small amount is deducted for payment to the local *panchayat* or association.

*Other charges* : An anna is often deducted for stamping the receipt. Where the seller has hired the *borah* or *bardan*, i. e., the bag to bring his *kapas* in, the *borah* hire has to be paid.

The above are usually cash charges but in some markets one or the other may be payable in kind. Where an *adatya* is employed, he pays all the cash charges and debits them to the account of his constituent. The charges to be paid in kind are :—

*Samples* : About two pounds per *borah* or cart are taken by the buyer or the *adatya*. These go towards the payment of the servants they employ.

*Muthi* : Literally, a handful. In some markets, it is customary to give small amounts to such servants as the waterman, gate-man, sweeper, and in the Berar markets, to the *daroga*, i. e., the head of the staff employed by the market committee. In Baroda this term is applied to the weighman and labour charges (levied in kind).

*Burro or tabro* : Is levied in Sind and is the last lot put on the scales of less than half a *maund* which is not paid for but is taken by the buyer. In some places this charge has become a definite deduction and is then analogous to the customary weight-allowance claimed at the other markets.

*"Bardan"* is the tare weight of the bag (*borah* or *bardan*) which is deducted from the gross weight. Generally the weighman makes the necessary adjustment on this account at each *tol* or weighment and only the net weight is recorded.

The sellers occasionally complained about the excessiveness of some of the charges and about the levy of others not authorized by custom. Under the Bombay Cotton Markets Act it is intended to define by rules the number and rates of authorized "trade allowances," and to make all other charges illegal.

Payments in the market are very prompt, the amount purchased being paid for the same day by the *adatya*. The payment is usually made late at night, and thus causes no little inconvenience to sellers from the country who will not risk leaving for home at such a late hour with so much cash and they therefore have to stay overnight in the town.

Regular storage accommodation is provided in only a few of the markets, particularly in Broach, Palej, Dabhoi (in Middle Gujerat) and Adoni (in Madras) where there are large godowns. The owners of ginning factories make some arrangement for storing in the compounds of their factories, which are often well protected by wire-fencing and watchmen. It is of course cheaper to store in the gin compound than in regular godowns; but in the former case there is some risk of theft, loss by fire and damage by untimely rains. In Khandesh owing to competition to secure business gin-owners allow storage free of charge.

On the whole, cultivators and petty traders who take their *kapas* to market are most anxious to sell it the same day and do not wish to store it for any length of time. In cases where they do store it with the ginowner or market dealer, they are generally able to get advances up to about 75% of the (approximate) value of the *kapas* deposited. In Madras these loans carry no interest; at other places 9 to 12% is charged.

In the unregulated markets no records of arrivals and sales are kept except by the Pachora Co-operative Sale Society in respect of the *kapas* sold through it. The local dealers however keep a note of the approximate daily arrivals.

The number of growers and traders who were examined during the investigations in the markets in each area (vide Table XII) should not be taken as the criterion of the relative proportion of growers and traders who usually resort to the markets of the respective areas; because a larger number of growers was deliberately selected by the investigators for examination, particularly in Middle Gujerat and Madras. As a general observation it may be said that in the Berar markets examined the percentage of cultivator-sellers is well over 60. The number of carts brought by growers in Berar in 1925-26 was actually 86.5% of the total; but no market was investigated in which a majority of carts was brought by petty traders. In most of the Khandesh markets the proportion of trader-sellers is somewhat greater than of cultivator-sellers; but certain important markets, like Dhulia, which offer considerable attraction to the growers, were not visited. In Middle Gujerat, owing to



there being numerous small markets, the number of growers is probably slightly greater than that of traders, but certainly not to the extent indicated by the figures in Table XII, for the reason already given. In the Punjab, Sind and North Gujerat the markets are used by petty merchants and traders to a considerably greater extent than by growers.

Some of the markets examined were as important lint markets as *kapas* markets; but as lint sales are rarely made by cultivators this point was not as thoroughly investigated as one would have wished.

**Lint sales.** The investigations were confined chiefly to *kapas* sales, and many markets were omitted because they were principally lint markets. For such lint sales as have been recorded during the investigations reference may be made to the individual reports.

There is a Co-operative Sales Society at Pachora (East Khandesh) but none in any of the other markets investigated.

**Sales Societies.** There was one at Tando Adam (Sind) which was not working when investigations were made in that market. The Pachora Co-operative Sales Society is smaller than those at Hubli, Gadag and Haveri in the Dharwar district. It was started in 1916 and has now about 250 members each holding a share of Rs. 5/-. It has a managing committee of ten, of whom 2 are agriculturists and also a paid secretary, and, in the season, two clerks. The Society has leased a plot of land from Government which is used as the market-yard. The Bombay and the local rates are daily posted up there. It has also installed a weighbridge where the whole cart is weighed, first when it is full and then when it returns empty from the ginnery. The right of acting as the *adatya* to the members of the Society is auctioned every year and the *adatya* is entitled to levy an *adat* charge of 8 annas for every Rs. 100/- worth of *kapas* sold. The seller has also to pay 2 annas per cart to the Society as ground charge and for the services it renders; and half an anna for "*dharma*". The Society is doing useful work particularly in the settlement of disputes or *vandhas*, but it has not progressed as much as one would expect, owing, it would seem, to the absence of propaganda work in the villages around.

The means of communication to the markets from the surrounding area are satisfactory in Khandesh, the Punjab, Madras, and Berar, and most of the markets are situated on a railway line. In Sind and Gujerat the means of communication are less satisfactory but the majority of the markets are on railway lines.

#### *General conclusions.*

The general conclusions on markets are :—

- (1) There are no regulated cotton markets anywhere in India, except in Berar; but the establishment in the immediate future of such markets in the Hyderabad State and in the Bombay Presidency is contemplated.
- (2) The Bombay Cotton Markets Act which has recently been passed is in many respects an improvement over the Berar Cotton

and Grain Markets Law of 1897 which governs the organization of the Berar markets, particularly in giving full representation on the market committees to growers who are unrepresented in Berar.

- (3) In most of the Berar markets *vandhas* or disputes between buyer and seller as to quality are probably as common as in any of the unregulated markets, and on the whole "the theory of management is considerably better than the practice" and there is much scope for improvement.
- (4) The organization in the unregulated markets varies greatly, some of them being as efficient as the Berar markets, others being without any control and without even a common market place.
- (5) In the unregulated markets the system of price-fixing varies: in a few the buyers openly bid and the highest rate offered becomes the market rate for the day; in the rest prices are fixed privately by the individual buyer and the seller's *adatya*.
- (6) There are four systems of purchase and sale in the markets, though the first is by far the most important:—(a) direct or spot purchase and sale, (b) the forward contract system with the price either fixed in the contract or to be fixed subsequently by the seller, (c) sales by sample, (d) sales by auction.
- (7) The *adatya* plays a very important role in the sale transactions in the Berar as well as in unregulated markets; and though his employment is not obligatory upon the seller, the latter usually finds it more convenient and on the whole more profitable to engage one.
- (8) In the unregulated markets (with a few exceptions) rates are not announced or posted.
- (9) Weighment is done at the ginneries in almost all cases. The weights and scales used are satisfactory, though the weighman's manipulations were sometimes complained of by sellers.
- (10) The weight systems are hopelessly confusing and in some areas more than one system prevails.
- (11) Disputes or *vandhas* or *kadadas* are very frequent in practically all the markets, and these constitute the most serious obstacle in the way of market sales, sellers having often to submit to reductions in weight or rate (or both) which are at times considerable. Nowhere is there an impartial agency for the settlement of disputes.
- (12) Customary allowances and charges at the markets are many and varied. Regulation of the rate at which each may be levied is attempted which gives rise to complaints about unauthorized or non-customary charges, and to charges being excessive.

- (13) Storage facilities do not appear to be greatly in demand; and the facilities at present provided in the compounds of ginning factories (and by godowns at a few places) seem to serve the requirements.
- (14) In the unregulated markets, except those of Middle Gujarat, the number of traders who sell there is greater (in the Punjab, Sind, and North Gujarat, much greater) than that of growers.
- (15) Of the markets investigated only Pachora (in East Khandesh) has a Co-operative Sale Society which is doing good work.



**TABLE I.****Number of Villages, Markets, Sellers and Cultivators Examined.**

Areas investigated.		Total number of cultivators examined.	No. of complete replies.	No. of villages investi- gated.	No. of markets investi- gated.	Total number of sellers.
1923-26.	Berar .. ..	940	936	12	9	2,343
	North Gujerat ..	1,065	1,065	15	3	320
	Khandesh .. ..	851	820	10	9	890
1927-28.	Khandesh .. ..	868	827	10	10	542
	Middle Gujerat ..	1,193	1,155	23	20	966
	Sind .. .. .	724	721	15	5	118
	The Punjab .. ..	1,820	1,820	33	12	3,037
	Madras (Westerns & Northerns tract).	757	741	9	2	376
Total		8,218	8,085	127	70	8,592
Average		1,027	1,010	16	9	1,074



**TABLE III.**  
Size of Holdings and of Cotton Areas.

Areas investigated.	Area and holdings.					Classification of cultivators according to size of holdings.				Classification of cotton areas according to their size.			
	No. of holdings.	Total area of the holdings.	Average size of holdings.	Acres.	Acres.	Area under cotton.	Average cotton area per holding.	Percentage of cotton area to total area.	%	Small.	Medium.	Large.	Over 50 acres.
Berar ..	936	30,800	34	16,860	18	52.7	352 (37.6%)	435 (46.5%)	112 (12%)	37 (3.9%)	..	..	..
North Gujerat ..	1,065	..	..	..	..	..	307 (28.8%)	567 (53.2%)	146 (13.7%)	45 (4.3%)	..	..	..
Khandesh ..	820	..	..	..	..	..	..	..	..	..	..	..	..
Khandesh ..	827	19,030	23	8,396	10.1	44	326 (40%)	440 (53%)	52 (6%)	9 (1%)	..	..	..
Middle Gujerat ..	1,155	23,760	20.5	12,300	10.6	52	575 (50%)	516 (44.5%)	53 (4.5%)	11 (1%)	..	..	..
Sind ..	721	9,053	12.5	4,089	5.5	45	519 (72%)	196 (27%)	6 (1%)	Nil	..	..	..
The Punjab ..	1,795	42,325	23.6	7,736	4.3	18	..	..	..	..	..	..	..
Madras (Western & Northern tracts).	741	26,804	36	9,835	13	37	193 (26%)	409 (55%)	103 (14%)	36 (5%)	..	..	..

(a) This figure excludes the acreage devastated by floods which totals 446 acres.

NOTE.—It is not possible to make up the totals and work out the percentages owing to there being so many gaps in the above table.

TABLE IV.

Approximate Total and Average Yield of *Kapas*.

Areas investigated.	Area under cotton.	Total yield.	Yield per acre.	Average yield for each class of cotton area.				
				Small.	Medium.	Medium large.	Large.	
	Acreas.	Lbs.	Lbs.	(Lbs. per acre).				
1925-26.	{ Berar .. North Gujerat .. Khandesh .. }	16,860 No information	2,229,000 ..	132(a) ..	No	informa	tion.	
1927-28.	{ Khandesh .. Middle Gujerat .. Sind .. The Punjab .. Madras (Westerns & Northern tract).	8,396 12,300 4,089 7,735 9,835	1,940,876 3,232,768 3,388,340 2,677,884 839,248	231 263 831(h) 346.4 85(c)	263 245 829 .. 90	238 275 864 .. 85	211 261 432 .. 75	171 217 305 .. 108

(a) This figure appears to be an under-estimation, as the cotton crop forecasts issued by the Agricultural Department give a figure of 230 lbs. per acre as the average yield of *kapas* (Oomras) in Berar for 1925-26.

(b) This figure is much higher than the average given in crop forecasts.

(c) If allowance is made for the fact that some part of the "cotton area" was really under mixed crop, this figure would increase from 85 to 112 lbs. of *kapas* or thereabouts. Even then it appears to be an under-estimation, as the crop forecasts give 58 lbs. of lint (=about 232 lbs. of *kapas*) for the "Northerns & Westerns" crop, and 46 lbs. of lint (=184 lbs. of *kapas*) considering the Madras Presidency alone.

TABLE V.

Varieties of cotton grown.

Areas investi- gated 1927-28.	Percentage of the area under each variety of cotton grown in the villages investigated.
Khandesh ..	76% under "Khandesh Mixtures", and 24% under "Neglectum Roseum."
Middle Gujerat ..	10.5% under "Goghari;" 18% under "Broach" ( <i>Deshi</i> ); 61% under " <i>Kanhvi</i> " and 10.5% under "Selection 9-1."
Sind ..	85% under <i>Desi</i> or " <i>Bhit Shah</i> "; 7% under "Neglectum Roseum"; 27 W.N. of Sind Agricultural Department; 2% under "American F4"; 1% under "No. 285 Punjab-American," and 5% under mixed varieties.
The Punjab ..	28.7% under "Punjab-American" and 71.3% under <i>Deshi</i> cotton.
Madras (Westerns and Northern Tract).	In the Westerns Tract—91% under "Westerns Hingari" and 9% under "Westerns Mungari."
	In the Northern Tract—86% under "White Northern"; 7% under "Red Northern"; 6.7% under "Selection" No. 14 and .3% under "Selection" No. 54.



**TABLE VI.**  
Sources of seed supply.

Areas investigated 1927-28.	Sowcar.	Ginnery.	Government Farm.	Petty mer- chants and traders.	Landlord.	Cultivator.	Relatives.	Others.	Total.
Khandesh .. ..	446 (54%)	80 (9%)	..	31 (4%)	1	254 (31%)	5 (0.6%)	10* (1.4%)	827
Middle Gujerat .. ..	351 (30.5%)	562 (48.5%)	32 (2.5%)	29 (2.5%)	40 (3.5%)	131 (11.5%)	..	10 (1%)	1,155
Sind .. ..	423 (58%)	217 (30%)	37 (5%)	12 (2%)	6 (1%)	26 (4%)	..	..	721
The Punjab .. ..	456 (25.6%)	..	299 (15.8%)	..	..	1,065 (58.6%)	..	..	1,820
Madras (Westerns and Northerns Tract) .. ..	89 (12%)	107 (14.5%)	17 (2.5%)	232 (31%)	29 (4%)	265 (36%)	2	..	741
Total .. ..	1,765	966	385	304	76	1,741	7	20	5,264
Percentage .. ..	33.5	18	7.5	6	1.5	33	0.1	0.4	100

\*Of these ten, nine have borrowed seed from the Co-operative Society and one from an Association.

**TABLE VII.**  
**Total and Average Borrowings.**

Areas investigated.	Total number of cultivators recorded.	Number of borrowers.	Percentage of borrowers to total.	Total amount borrowed.	Borrowing per head		Proprietors.		Tenants.		Persons partly proprietors & partly tenants.		Total area of the holdings.	Borrowings per acre of holdings.	Area under cotton.	Borrowing per acre under cotton.
					No. of cultivators.	No. of borrowers.	Per cent who borrowed.	Borrowing per head.	Per cent who borrowed.	Borrowing per head.	Per cent who borrowed.	Borrowing per head.				
1925-26. { Berar North Guje- rat (exclud- ing Morvi) Khandesh ..	936	595	64	346,580	370	582	403	42	76	187	—	—	30,800	11.2	16,860	20.5
	774	556	71	192,181	248	345	—	—	—	—	—	—	—	—	—	—
	820	642	78	170,885	208	266	—	—	—	—	—	—	19,000	9	—	—
	827	591	71	108,600	131	184	179	70	60	70	74	202	19,030	5.7	8,396	13
1927-28. { Khandesh .. Middle Guje- rat Sind The Punjab Madras (Westerns & Northerns Tract)	1,155	952	82.4	231,900	201	244	299	80.4	73	135	88	200	23,760	9.8	12,300	19
	721	680	94	550,224	763	809	1,128	89	97	629	97	1,538	9,053	61	4,089	134
	1,820	934	51.4	586,858	322	628	393	42	61	234	57	..	42,325	14	7,736	76
	741	519	70	331,686	448	639	545	73	100	145	64	850	26,804	12.4	9,835	33.7
Total ..	7,794	5,469	70	2,518,914	323	466		65	77		72					
Average ..	974	684	70	314,864	323	466										

*Note.*—The dash denotes that no information is available or figure worked out. In view of the many blanks in the later columns it has not been found possible to work up the totals.

**TABLE VIII.**  
**Sources of Advances.**

Areas Investigated.	Source.		Co-operative Society.		Landlord.		Petty merchants & traders.		Friends and relatives.		Government <i>Takani</i> .		Ginowner.		Others.	
	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
1925-26.	225,000 (65%) 172,076 (90%) No information		107,500 (31%) 4,400 (2.5%)		3,500 (1%) 5,250 (2.5%)		..		10,580 (3%) 10,435 (5%)		..		..		..	
Berar	58,068 (53.5%)	357+61 (70%)	44,637 (41.1%)	130+48 (30%)	..	..	138 (1%)	2 (0.3%)	5,502 (5.1%)	28+19 (8%)	..	..	955 (2.2%)	3 (.5%)	..	..
North Gujarat (excluding Morvi)	150,566 (65%)	560+84 (65%)	42,692 (18.4%)	103+90 (20%)	14,212 (6.1%)	81+11 (9.7%)	16,998 (7.3%)	51+3 (5.7%)	5,418 (2.3%)	26+4 (3%)	1,539 (.7%)	27 (3%)	..	..	425 (.2%)	3 (.3%)
Khandesh	425,300 (77%)	560 (82%)	38,450 (7%)	114 (16%)	56,962 (10%)	155 (20%)	1,272 (1%)	3 (.4%)	11,347 (2%)	28 (4%)	4,893 (1%)	44 (6%)	5,500 (1%)	1 (.1%)	6,500 (1%)	2 (.3%)
Middle Gujarat	399,824 (68.1%)	59+22 (59.2%)	52,338 (8.8%)	8+5 (8.5%)	99,234 (16.9%)	18% (18%)	14,410 (Arti)	1 (1.7%)	17,915 (3%)	2 (2%)	..	..	..	..	3,092 (.5%)	..
Sind	90,416 (27.3%)	122+9 (25%)	1,750 (.5%)	1+3 (1%)	438,275 (56.9%)	320+10 (68%)	2,442 (2.4%)	14+3 (3.3%)	3,170 (.9%)	8 (1.5%)	2,500 (.7%)	6+4 (2%)	33,050 (10%)	31+5 (7%)	..	..
The Punjab	1,521,250		291,762		367,463		45,343		64,387		8,982		38,805		10,017	
Madras (Westerns & Northern Tract).	65		13		15		2		2.7		.3		1.6		.4	
Total ..																
Percentage ..																

*Note as regards the number of cases :—*The figures before the plus sign denote the number of those who borrowed exclusively from the source in question, while the figures after the plus sign denote those who borrowed from that source and also from some other source (with regard to Sind the like separate figures are not available). In working out the percentages the total borrowers from each source have been considered ; hence the sum total of the percentages for any area will be not 100 but more than 100.

**TABLE IX.**  
**Amounts borrowed at various rates of interest.**

Areas investigated.		Free of interest.	Below 9½%.	9½-12%.	12-18½%.	18½-25%.	25-50%.	50% and over (in- cluding <i>Sawai</i> ).
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1925-26.	Berar .. ..	1,980 (.5%)	27,281 (8%)	201,180 (59%)	44,004 (12.5%)	36,000 (10%)	..	36,135 (10%)
	North Gujerat (ex- cluding Morvi) ..	..	70,870 (36%)	80,930 (42%)	22,208 (12%)	18,051 (10%)	122	..
	Khandesh ..	No information.						
1927-28.		(a)						
	Khandesh .. ..	11,341 (10.5%)	19,490 (18%)	51,893 (47.7%)	16,844 (15.7%)	4,776 (4.4%)	465 (.4%)	3,791 (3.3%)
	Middle Gujerat ..	2,361 (1%)	150,936 (65.1%)	68,607 (29.6%)	5,306 (2.3%)	4,550 (2%)	..	140
	Sind .. ..	36,288 (6.5%)	6,843 (1.1%)	82,015 (15%)	152,819 (28.5%)	106,447 (19%)	134,794 (24.2%)	31,018 (5.7%)
	The Punjab ..	44,966 (8%)	64,635 (11%)	78,460 (13%)	194,853 (33%)	159,097 (27%)	44,847 (8%)	..
	Madras (Westerns & Northerns Tract)	647 (.2%)	79,360 (23.9%)	197,094 (59.4%)	45,065 (13.7%)	8,390 (2.5%)	1,130 (.3%)	..
Total ..		97,583	419,415	760,179	481,099	337,311	181,358	71,084
Percentage ..		4	18	33	20	14	8	3

(a) Includes value of seed to the extent of 9%. The seed supplied was to be returned at harvest with one-quarter more, and so was not in reality free of interest.

**TABLE X.**  
Amount sold in Village and in Market in the Early and Late Periods.  
(Figures are in lbs.)

Areas investigated.	Amount sold in the Early Period.			Amount sold in the Late Period.			Total amount sold.		
	In Village.	In Market.	Total.	In Village.	In Market.	Total.	In Village.	In Market.	Total.
1925-26									
Berar ..	No information.					..	6,22,951 (32%)	1,316,187 (68%)	1,999,138 (100%)
North Gujarat ..	148,158	43,888	192,046 (11%)	1,315,936	290,250	1,606,186 (89%)	1,464,094 (81.4%)	334,138 (18.6%)	1,798,232 (100%)
Khandesh ..							1,634,570 (51%)	1,547,645 (49%)	3,182,215 (100%)
Middle Gujarat ..	896,590	1,028,410	1,925,000 (60%)	737,980	519,235	1,257,215 (40%)	2,369,606 (79%)	640,051 (21%)	3,009,657 (100%)
Sind ..			1,442,880 (48%)			1,566,777 (52%)	1,922,210 (80.5%)	467,250 (19.5%)	2,389,460 (100%)
The Punjab ..			477,892 (20%)			1,911,568 (80%)	642,091 (87%)	97,552 (13%)	739,643 (100%)
Madras (Westerns and Northern Tract) ..	78,344	9,360	87,704 (12%)	563,747	88,192	651,939 (88%)			
Excluding Berar Including Berar	..	..	4,125,522	..	..	6,993,685	8,032,571	3,086,636	11,119,207
Total	..	..	..	..	..	..	8,655,522	4,402,823	13,058,345
Percentage { Excluding Berar .. Including Berar ..	..	..	37	..	..	63	72	28	100
	..	..	..	..	..	..	66	34	100

*Note.*—As regards Sind, it appears that nearly 4000 *maunds* or about 350,000 lbs. which should have gone into the early period have been carried over to the late period for reasons which are explained in the Sind Report. Consequently the actual percentages of early and late sales would be nearer 66 and 34 than the figures given in the above table.

TABLE XI.

Number of Cultivators who sold in the Village and in the Market in the Early and Late Periods.

Areas investigated.	In the Village.				In the Market.				Partly in village and partly in market.				Total.			
	S.		L.		S.		L.		S.		L.		S.		L.	
	M.	ML.	M.	ML.	M.	ML.	M.	ML.	M.	ML.	M.	ML.	M.	ML.	M.	ML.
EARLY PERIOD.																
Khandesh ..	54	87	11	153	5	19	2	..	26	1	5	..	6	111	13	1
Middle Gujar	251	246	29	83%	287	225	23	9	544	7	25	1	33	545	53	11
Sind ..	282	102	1	48%	132	64	3	..	199	2	1	..	3	416	167	..
Madras (Westerns and Northern Tract) ..	73	99	13	65.5%	1	4	..	1	6	..	..	..	..	74	103	5
Total				97%					775				42			
Percentage ..				60.5					37				2.5			100
LATE PERIOD.																
Khandesh ..	256	330	33	6	625	33	63	8	106	3	8	1	12	292	401	8
Middle Gujar	326	303	27	3	659	248	196	22	474	1	17	4	22	575	516	53
Sind ..	465	172	3	..	57%	26	13	2	41%	4	..	1	2%	495	185	6
Madras (Westerns and Northern Tract) ..	154	315	79	21	93%	2	7	6	6%	..	..	..	1%	156	322	25
Total					97%				19	..	..	..	..			
Percentage ..					78.6%				640				39			100
					2.493				20				1.4			3.172

Note.—S—Small; M—Medium; ML—Medium Large; and L—large.

There is no corresponding information for the Punjab Inquiry and for the Berar, Khandesh and North Gujerat Inquiries of 1925-6.

**TABLE XII.**  
Market Investigation.

Areas investigated:	No. of markets investigated.	No. of days the markets were visited.	No. of growers.	No. of traders.	Total No. of sellers.	No. who submitted deductions on account of disputes or <i>wandhas</i> .	No. who gave customary deductions in weight.	No. who paid the customary market charges.
1925-26 { Berar .. North Gujerat .. Khandesh ..	9	50	2050	293	2,343	No exact information.	No information.	Practically all.
	3	10	37	283	320	No	No information.	....
	9	34	444	446	890	99	328	782
1927-28. { Khandesh .. Middle Gujerat .. Sind .. The Punjab .. Madras (Western and Northern Tract)	10	65	320	222	542	99	....	7(a)
	20	35	652	314	966	1	....	Practically all.
	5	7	6	112	118	....	....	193
	12	94	792	2,245	3,037	Disputes frequent.	No information.	....
	2	39	215	161	376	45	225	....
Total ..	70	334	4516	4,076	8,592			
Average ..	9	42	564	509	1,074			
Percentage ..	....	....	53	47	100			

(a) The remaining persons were mostly those who had brought the consignments despatched to the market ginowner b gent

## APPENDIX "A".

## QUESTIONNAIRE ISSUED BY THE SUB-COMMITTEE IN CONNECTION WITH ITS PRELIMINARY INQUIRY.

*Question 1.*—"What methods does the cotton grower usually resort to for the finance of his cotton during cultivation and after harvest?"

*Question 2.*—"In what areas and to what extent is the cotton crop of the average cultivator (a) mortgaged in advance on account of loans taken to finance the cultivation of the crop and (b) sold in advance of harvest and, if so, on what conditions?"

*Question 3.*—"To what extent are cultivators driven to sell their cotton immediately through lack of financial power to hold it?"

*Question 4.*—"What marketing systems are in force in the province or tract with which you are acquainted? To what extent does the cultivator receive an unduly low price because of lack of proper market facilities rather than because he is pressed for money?"

*Question 5.*—"Is it possible for cultivators to obtain loans on the security of cotton deposited for sale; if so, to what extent and what rate of interest are they charged for such loans?"

*Question 6.*—"In your opinion are warehousing or other storage facilities necessary to enable the cultivator to hold and finance his cotton?"

*Question 7.*—"In the area reported on are there any Co-operative Cotton Sale Societies at work? If so, on what lines do they work? In particular what is the method of sale adopted and what percentage of the value does the Society advance against cotton or *kapas* delivered? Is any provision made by legal agreement, or by the rules of the Society, which secures for the Society a sufficient proportion of its members' produce to enable it to sell to advantage or can members utilise the Society when it suits them only and sell outside on occasions when prices are tempting? Is the cotton or *kapas* sold on individual account or is the produce of members pooled?"

*Question 8.*—"If no Cotton Sale Societies are in existence, have they been tried? Are there any particular local difficulties in dealing with the sale of cotton by co-operative methods.

*Question 9.*—(a) "If there are substantial cotton growers, in the tracts with which you are acquainted, who control considerable areas, what methods do they adopt for the financing of their crops and how do they market them?"

(b) "Are there any marked differences as compared to the methods adopted by smaller growers, and have such large growers any special difficulties in marketing their crops to the best advantage?"



*Question 10.*—"What organised banking facilities exist in your area for the finance of the cotton crop?"

"Are such facilities sufficient?"

---

*Note.*—Under banking facilities are included private Indian Bankers and Shroffs as well as Joint Stock Banks.

---

## APPENDIX "B."

### SUMMARY OF THE REPLIES RECEIVED IN ANSWER TO THE PRELIMINARY QUESTIONNAIRE.

In accordance with the resolution of the Central Cotton Committee, the Directors of Agriculture have been addressed and asked to obtain replies to the questionnaire from unofficials nominated by the Provincial or Divisional Cotton Committees. It is not, however, necessary to wait for all these replies before considering those already received which are numerous. An abstract of the replies has been prepared and circulated. An attempt is made below to summarize the general position.

*Question 1.*—The replies disclose in the first case a very marked advance in the financial independence of cotton growers in various parts of India during the last few years and very considerable areas are reported where the bulk of the cultivators are able to finance themselves without difficulty so far as cultivation is concerned. Two broad divisions are possible. We have in the first case Northern India, *i. e.*, the whole of the Punjab and the United Provinces and parts of other provinces where cotton is not the only commercial crop, often not the most important *khari* crop in point of area, and where the cultivator is placed in funds by the sale of his *rabi* crop shortly before the cotton sowing season. As might be expected replies show that in these areas little special finance is required and since payment for picking is largely made in kind the cultivator is concerned with the general finance of his crops rather than special finance for the cotton crop.

In marked contrast to this there are areas of dense cotton cultivation, such as Khandesh and the Southern Mahratta Country, where *rabi* crops are unimportant relatively, and cotton is the principal commercial crop. Here finance during cultivation not only for the actual cultivation of the crop but for the cultivators' general needs is far more important and in these areas finance for growing and finance for marketing are largely inseparable especially as cultivation advances by market "*dalals*" are quite important.

In the Central Provinces and Berar conditions approximate to the second class, but on the whole the growers appear to be considerably more independent.

As might be expected the replies are nothing like so specific as is needed, and actual local investigation will be necessary.

*Question 2.—(a)* The general trend of the replies is to the effect that mortgaging of the crop in advance or forced advance sales have greatly decreased during the last few years. Over large areas it is stated that actual mortgage of the crop is unknown. On the other hand loans for cultivation and general expenses are often taken on the condition that the borrower sells his produce to or through the lender, and the only general statement which it is possible to make is that the degree to which the borrower is bound to the lender depends largely on his general indebtedness. One also forms the impression that where market organisation is good the average cultivator avoids tying himself to actual sales to the lender. Where market organisation is bad the usual running account is kept with the village *bania*.

*(b)* Advance sales.—These are of two kinds. The old kind of advance sale at a low rate with the object of obtaining finance is reported by almost everybody to be steadily disappearing and practically no sales of standing crops are now reported. Loans are taken in many places when the crop is nearing maturity on the condition of sale of crop, such loans being from village money lenders, market commission agents and ginners. Sometimes rates are fixed; sometimes the cultivator has a right to fix the rates within certain period and very commonly cotton is actually sold at market rates at the time of delivery to the lender who is paid interest and commission.

Genuine advance sales for hedging purposes in order to secure a favourable rate appear to be, if anything, increasing. The system of advance sales so prevalent in Sind appears to come under this head.

Advance sales due to indebtedness still appear to be important in the greater part of Madras.

*Question 3.*—There are various subsidiary points brought out in the replies. In the first place there seems to be a common impression that it is the power to hold for long periods to which we refer, whereas it is taken that it is the power to hold for a few weeks (or perhaps for a maximum of two months) which is really important. In sending out any further questionnaire or in making enquiries it will be necessary to be very specific on this point.

There is a general impression that at the beginning of a new crop prices are favourable and competition keen and that this, as much as anything else, is responsible for the cultivator's desire to sell promptly. In Northern India a point of importance which has not been mentioned is that cotton picking and marketing are so close to the *rabi* crop sowing period that substantial cultivators who bring their *kapas* to the market must often do so when farm work permits.

A good many replies refer to the undesirability of storing unginned cotton for considerable periods due to deterioration and risk of loss.

It would perhaps be unwise to attach too much importance to the quantitative estimates given for the percentage of cultivators who must sell at once. Several replies lay stress on the fact that where, owing to market facilities being poor or cultivators indebted, the crop passes rapidly into the hands of petty village dealers, etc., it is the latter who are the real holders so

that for the tracts where the cultivators' holding power is least it is really the cost of finance to dealers which is the deciding factor. Broadly speaking, we may take it that practically all average cultivators must dispose of part of their crop at least fairly promptly unless they can take advances against it, but many replies refer to the fact that market prices are far better known than a few years ago and far more closely followed and that cultivators hold back from taking cotton to the regular markets if there is a sudden fall in prices. Definite instances of tracts where cultivators can and do hold cotton for favourable prices are :—

*Madras.*—Tinnevely.

*Bombay.*—South Gujerat, part of Dharwar and the larger growers in most tracts.

*Central Provinces and Berar.*—Larger men only.

*Punjab.*—A large number of growers in the Canal Colonies and Central Punjab.

*United Provinces.*—A considerable portion of the medium growers.

*Question 4.*—Wherever cotton cultivation is reasonably dense cotton markets exist, but only in the case of the Central Provinces and Berar is there anything approaching to general satisfaction. The usual complaints are dishonest weighments, no proper rendering of accounts, excessive commissions and allowances and complete control of prices by commission agents or buyers. On the other hand the better class growers appear to use these markets wherever they exist and do better than they would do by sales to village dealers. An exception, however, appears to be the Punjab and United Provinces where many replies record that, taking everything into account, the prices in villages are nearly equivalent to market prices—due to the existence of markets and to competition. The need for better control of markets seems to be most urgent in Khandesh and many severe criticisms are made of the Punjab *Mandis*. Direct sales to ginners by substantial cultivators appear to be steadily increasing. It should be added that sales in markets, in the majority of cases, are made through commission agents and that there are considerable complaints about these.

*Question 5.*—*Bombay*—Such advances do not appear to be taken in Gujerat or Sind but are common elsewhere, the proportion of the value advanced varying from 50—75 per cent.

*Madras.*—Advances generally can be obtained but from the replies it is a little difficult to see to what extent the cultivator retains control over his *kapas* or cotton. The large growers certainly do so. In the case of the small growers heavy advances from commission agents or brokers appear to be taken before delivery of the cotton.

*Central Provinces and Berar.*—The system of the average grower taking advances against cotton deposited seems to be unusual, possibly for lack of storage facilities in the markets.

*United Provinces.*—This practice clearly does not obtain so far as cultivators are concerned, but apparently middlemen can obtain advances.

*Punjab.*—Generally speaking such advances are obtainable either from *artis* or from ginners, the extent varying from 50-75 per cent. and the interest from 12-25 per cent. It is also clear from a number of replies that many growers take advantage of this for short periods.

*Question 6.*—The general trend of the replies is that wherever markets are used by the growers themselves, storage facilities are most important, and that under present conditions the value of the central market is considerably discounted by the fact that, owing to the lack of storage, temporary heavy arrivals may depress prices, often the grower is forced to sell at the best price obtainable, however poor, because the only alternative is to cart his cotton home. Where cultivators take advances from *dalals* on cotton deposited, storage of some kind is generally available. A number of replies indicate that the provision of stores where the cultivator can deposit his cotton and obtain advances against it would be a most important facility.

*Questions 7 and 8.*—The number of societies in existence is small. There are two types of societies in Bombay, the principal difference being the method of sale adopted. In the Punjab, co-operative commission sale societies are developing and seem likely to extend. Societies are now being started in Madras.

Such failures as there have been appear to have been due as much as anything to lack of sufficient finances. Opposition from middlemen or commission agents has been met everywhere and it seems essential that cotton sale societies should be able to offer their members at least as full facilities as the ordinary money lending *dalal*; failure to do this means that members use both sources of credit and the society comes off worst.

*Question 9.*—There are of course very large growers in the Punjab and in the canal colonies; the average grower is as substantial as the big growers in many other tracts. Our question, however, was perhaps not sufficiently specific as in many replies the criterion appears to have been whether the grower can finance his cultivation himself and sell his cotton to advantage. Most areas report the existence of an appreciable percentage of substantial growers who are in a position to hold their cotton against unfavourable prices and who either sell ginned cotton, are able to make special favourable arrangements with substantial buyers or use central markets to advantage. None of the replies indicate that such growers have special difficulties of their own.

*Question 10.*—This question has been misunderstood and the replies on the whole are far from complete. It is important, however, to note that a considerable number of new branches of banks, particularly of the Imperial Bank of India, have been opened recently in the neighbourhood of cotton markets and that the general finance of the movement of the cotton crop is said to be improving. It is also clear that the Imperial Bank of India in recent years has paid more attention to the financing of stocks in ginning factories, etc., and is not limiting itself to the provision of currency. Perhaps the most outstanding point in connection with the financial arrange-

ments is the difference in the interest paid by the trader and by the cultivator or petty dealer. The general rates of interest charged to the average substantial trader approximate to the bank rate. The cultivator, and apparently the petty middleman, is generally reported to pay from 18-24 per cent. interest. Some of the Imperial Bank replies indicate that the Bank could do far more for the finance of stocks if cotton were placed in proper godowns.

The finance of the cultivator, except in the case of a few big men, comes from the private Indian banker through various middlemen except where obtained from co-operative societies. The replies in regard to the arrangements for financing stocks are far from complete and when members have had time to consider the detailed replies, we think we shall have to consider fresh methods of obtaining information on this point.

*General.*—In summarising the replies we have tried to keep away from the general question of rural credit. It is obvious that this bears on our problem at every point but it is necessary to keep our enquiry within bounds. We have some more replies to come in, but apart from these we do not think we shall make much further progress by the general circulation of questionnaires. We might now consider in what areas full local investigation is required as our principal object is to try and ascertain methods by which the present position can be ameliorated.

(1) One very important tract is Khandesh. The outstanding feature of the replies seems to be the need for proper control of the open cotton markets.

(2) Another most important tract is Berar about which our information is insufficient.

(3) We have insufficient information about the conditions pertaining in the Madras Northern and Western area. Here also local enquiry seems to be required.

(4) Obviously local enquiry is needed in one of the Punjab Canal Colonies.

It is suggested that the Sub-Committee should now consider what tracts should be taken up first and that we should then, at a subsequent meeting, consider in greater detail the information already obtained from these and decide on the main lines of our future enquiries.

Another point for consideration is whether we should now consult Provincial Cotton Committees and in what way. The Madras and United Provinces Departments have treated our questionnaire as purely preliminary. The Punjab and Central Provinces Directors, it is understood, are referring the replies collected to their Provincial Cotton Committees. The Bombay replies are fairly numerous but these also have treated the questionnaire mainly as preliminary.

We might forward to the Directors of Agriculture all information received from their provinces asking them to discuss with the Provincial Cotton Committee the desirability of a special enquiry and asking for suggestions as to the areas for investigation. The choosing of the latter is extremely important as the investigation will have to work through a number of villages in absolute detail and also to report on particular markets in detail.

## APPENDIX "C".

## QUESTIONNAIRE RELATING TO VILLAGE INVESTIGATIONS.

*Instructions for Investigators.**GENERAL.*

(1) There are three periods of investigation during which replies are to be taken from cultivators and recorded in the village books.

The 1st Period should be fixed to fall before any of the crop is picked, *i.e.*, during the later stages of growth and before harvest.

The 2nd Period should fall during the picking season, and, if possible, after some early sales have been made.

The 3rd Period should fall some time after all the crop has been picked, and should continue until the majority of sales have been made.

Always enter the dates of the commencement and the end of each period of the investigation and the dates of the investigator's visits to each village in the spaces provided for this information.

(2) Replies should be recorded from every cotton-grower in a village selected for investigation.

(3) When a question asks "to whom a sale was made" or "from whom an advance was taken", etc., the answer does not require the proper name of the person concerned to be given. A reply, such as *sowcar*, *dalal*, landlord, gin-owner, etc., is quite sufficient.

(4) In recording quantities of cotton, adhere to the standard weight of *kapas*, used in the market or village concerned. Do not give vague replies like "a cart load," etc.

(5) Wherever possible, when any sale of *kapas* or lint is recorded, give the rate and the date of the sale also. If exact date is not known, give approximation, *e.g.*, "1st week of February," etc.

(6) It is advisable to keep all investigator's rough notes, calculations, etc., on the blank leaves opposite the questionnaire in the record books.

---

NOTES ON INDIVIDUAL QUESTIONS.

(A) *General for each Village.*

Questions 2, 3 and 4.—Replies can be obtained by reference to village land revenue records.

(B) *General.*

Question (3).—If a cultivator is both a proprietor and a tenant, record the area owned and the area rented separately.

*Question (5).—Survey numbers—*This record is merely for the convenience of the investigator to enable him to check replies if found necessary to do so.

*Question (7).—Variety—*If a cultivator is growing more than one variety of cotton, give the area under each variety.

(C) 1st Period.

*Questions (2) and (3).—*Under question (2), give the amount of advances, money and seed, actually received by the borrower. Under (3) give the amount, money or seed, which he has contracted to re-pay and state date for repayment, if fixed.

*Question (7).—*This deals with advance sales. If the advance sale, if any, is made to the person from whom advance was taken that fact should be expressly recorded.

(D) 2nd Period.

*Questions (2) and (3).—*The replies to these questions are important and investigators should try to get full details of any advances made against early picked *kapas*.

*Question (4).—*In recording dates of sales, give dates as exactly as possible. If exact date is not known, approximation such as "1st week of February," "2nd half of March", etc., will do. Do not enter such remarks as "three weeks ago."

*Question (5).—*Enter the date on which this reply is recorded.

*Question (6).—Rate —*The rate is the actual amount of money per unit weight of *kapas* agreed upon at the time of sale, exclusive of any subsequent deductions.

*Question (7).—*The total actual amount of money received by the cultivator as the result of his sale should be entered here.

(E) 3rd Period.

*Question (3).—*Enter the date on which this reply is recorded.

*Question (4).—*In recording market sales, give names of all markets at which sales were made and amount sold at each, if sales were made at more than one market.

*Question (6).—*If *kapas* was sold through or deposited with the grower's *sowcar* or *bania*, that fact should be recorded.

*Question (7).—*The investigator should find out the means whereby the cultivator ascertained the market rate before selling, if he did so, and record the cultivator's statement in this connection.

*Question (8).—*In cases where advances on *kapas* remaining with the grower were taken from the same person from whom cultivation advances were obtained, that fact should be made clear in the record of the reply.

## GENERAL FOR EACH VILLAGE.

To be ascertained at the commencement of the inquiry.

1. Name of village.
2. Total cultivated area.
3. Area under cotton this year.
4. Area under cotton last year.
5. How does this year's crop compare with last year's ?
6. Is the crop this year earlier or later than usual and by how much?
7. What is (are) the nearest cotton market (s) ?  
What is the distance and is the road good, fair or bad?
8. Is there any storage accommodation for *kapas* in the village ?
9. What is (are) the common system (s) of weights in use in the village for *kapas* ?

lbs. avoirdupois = 1 *Maund* of *kapas*.

*Maunds* = 1 *Khandi* of *kapas*.

## INFORMATION TO BE OBTAINED FROM EACH COTTON GROWER.

Cotton Finance Investigation in.....

*Village Investigations.*

1. Village.
  2. Name of cotton cultivator.
  3. Is he a proprietor or tenant or both ?  
If a tenant, what is the nature of his tenancy ?  
(Money rent, share system, etc.)
  4. Total area of his holding.
  5. Area under cotton :— (a) Un-irrigated.  
(b) Irrigated.
- (Survey numbers.....)
6. Variety.
  7. Source of seed supply. (Cultivator's own, *sowcar*,  
Government farm, ginnery, etc.)



## 1st PERIOD.

From.....to.....

Dates of investigator's visits to the village.

1. Has any advance been taken up-to date ?  
If so, give reasons for the advance!
2. How much did you actually receive ?  
Include any advance in seed taken.
3. What amount have you undertaken to repay ?
4. Rate (or rates) of interest.
5. Source of advance. (Landlord, co-operative society, *sowcar*,  *cotton* trader, etc.).

If advances have been taken from more than one source, give amounts and rates of interest from each source separately.

6. Is there any bond or verbal undertaking to sell *kapas* through the lender or to the lender ?
7. Is the crop already sold, and the price fixed either on acreage or weight? If so, to whom, and for what price and on what date (s) ?

## 2nd PERIOD.

From.....to.....

Dates of investigator's visits to the village.

1. How much *kapas* has been picked so far ?  
(Reply, approximately, in *maunds*.)
2. Has any advance been taken on this *kapas* ?
3. If so, how much ?  
From whom? (*Sowcar* landlord, *dalal*, middleman, ginowner, etc.) and under what conditions ?
4. Has any *kapas* been actually sold ?  
Give amount in *maunds*.  
If so, to whom ? (Petty merchant, *dalal*, *sowcar*, gin-owner, etc.) and where and when? Dates of sale (s).
5. Has the money been received for this *kapas* ?  
(Enter date of recording this reply.)
6. What was (were) the rate (s) ? (If there was more than one rate of sale, give amount sold at each rate).
7. What was the money actually received ?
8. Where was the *kapas* delivered ?  
("Locally," i.e., in village or elsewhere. Give name of place or market)  
How far away? (Miles).  
Who paid for cartage ?  
(Seller or purchaser).

## 3rd PERIOD.

From.....to.....

Dates of investigator's visits to the village.

1. What was the total quantity (in *maunds*) of your whole crop of *kapas* ?
2. How much now remains with you ?
3. Have you received the whole money due on the *kapas* sold ?  
(Enter date of recording this reply).  
If not, how much is outstanding and from whom ?
4. How much (*maunds*) *kapas* was sold :—  
(a) Locally *i.e.*, in village ?  
(b) In market.
5. What were the rates received for your :—  
(a) Local *i.e.*, village sales ?  
(b) Market sales ? and  
On what date (s), were they made ?
6. If sold in the market, was the sale made through a broker ?  
Was the cotton sold outright or deposited with an *arti*, *dalal*, *sowcar*, or *bania* for sale ?
7. Did you ascertain the market rates before selling ?  
If so, how ?
8. Has any advance been taken on the *kapas* remaining with you ?  
If so, how much and from whom and under what conditions ?
9. What rate (s) are you now offered for this *kapas* ?  
(Enter date and actual market rate of the same day).

## GENERAL.

Note for investigators.—The investigator should carefully explain the following questions to the cultivator under examination and should enter his actual replies only. If the cultivator has no reply to offer, leave the answer space blank.

Enter here such information as can be obtained about difficulties in marketing, in finance, and in holding for higher prices.

1. Would an open cotton market with open prices be any advantage to you?  
If so, how ?

2. Is there any difficulty in :—

- (a) knowing the rate at which your agent sells your *kapas* ?
- (b) in recovering the full money ?

3. Are deductions made from the price ?

(All deductions should be entered, not only the ordinary market deductions for *hamali*, *dalali*, *dharmadai*, etc., but also deductions made during weighment on account of bad quality, etc. Deductions in kind should also be recorded here. Get records of actual cases whenever possible.)

If so, what are they said to be for—and what rate (s) is (are) charged?

4. If you take your *kapas* to market and cannot get a good rate for your cotton, what do you do with it ?

#### APPENDIX “ D.”

#### QUESTIONNAIRE RELATING TO MARKET INVESTIGATIONS. INFORMATION TO BE OBTAINED EACH DAY.

##### *Instructions to Investigators.*

3. Answer to this question should show what market rate was fixed and if made known to the sellers during the day. It should be stated how the rate was fixed and in what way it was made public.

4. Any intimated changes in the market rate during the day should be recorded.

5. Answer to first question should be “yes” or “no”. If any notice or telegram is posted, a copy should be given here.

1. Name of market.

2. Date.

3. The market rate.

How and when fixed ?

Was it posted or announced in the market ?

4. Any changes in the rate during the day.

Were these posted or announced ?

5. Were any Bombay rates posted up. ?

If so, what rates and when ?

6. Approximate arrivals of *kapas* during the day.

## INSTRUCTIONS TO INVESTIGATORS.

INFORMATION TO BE  
OBTAINED FROM EACH  
INDIVIDUAL BRINGING  
KAPAS TO MARKET FOR  
SALE.

To get complete replies to the questions on this page, the investigators will have to keep in touch with each individual recorded during the entire day, from the time he arrives at the market with his *kapas* until the sale is completed and he has received his final payment. In view of this, it is advisable that one investigator should not attempt to obtain too many records on any one day.

2. If *kapas* was partly grown and partly bought by the individual bringing it to market the amount under each head should be given even if only approximately known.

4. The record here should be the actual weight of *kapas* brought as given in his reply by the individual recorded.

Replies to questions (1), (2), (3) and (4) can often be obtained in the morning before sales commence.

5. The rate accepted is the rate fixed at the actual time of sale and intimated to the cultivator by the *dalal* or by the buyer. It is most important to note that the final rate, *i. e.*, after deductions, etc., have been made should not be entered here. The reply should give the rate fixed when the *kapas* is sold. If this rate is not made known to the seller, the entry should state that fact only.

6. What money have you received? The answer should give the total amount finally received by the seller for his *kapas*, after all deductions have been made, *i. e.* the actual amount the seller takes home with him.

7. Deductions.—All deductions of whatever kind should be entered here. Under deductions should be entered, ordinary market deductions on account of *hamali*, charity, weighment, *dalali* charges, etc., etc., deductions made on account of poor quality, black leaf, last picking, etc., etc., deductions on account of disputes, etc., in short, these entries should

1. Date

2. Was the *kapas* grown by you or have you bought it?

3. From what village brought?

Distance in miles.

Road metalled or not.

4. What weight of *kapas* have you brought?

5. What is the rate which you have accepted?

6. What money have you received?

7. To what deductions have you agreed?

8. Have you taken an advance and, if so, of what amount and from

account for the invariable difference between (the rate of sale  $\times$  the weight of *kapas*) and the money actually received.

whom *i. e.* *sowkar*, *dalal*, cotton trader, etc.

Under this head should also be entered deductions in weight, *i. e.*, differences between weight brought to market, *i. e.*, Question 4, and weight in market, also allowances in kind, *i. e.*, *kapas* should be detailed here.

#### GENERAL INFORMATION TO BE OBTAINED FROM EACH MARKET.

1. How is the market managed? Attach a copy of any local bye-laws or rules regulating trading in *kapas* or cotton.
2. Is there any local market committee of any kind; if so, who are the members? What are their occupations?
3. Describe in detail how sales are conducted.
4. Can cultivators bringing *kapas* to the market sell direct or must they employ brokers?
5. What is the system of buying? Do buyers buy direct or employ brokers?
6. Do brokers and *arhatyas* act for both buyers and sellers?
7. Do buyers give advances against *kapas* deposited for sale; if so what percentage of the value and at what interest?
8. If daily (or opening) rates are fixed, how is this done, and how are they announced?
9. Are Bombay or other rates posted in the market regularly? If so, what rates and how obtained?
10. Are there any arrangements for storage in the market? Is *kapas* stored? in *artis'* shops, or godowns, or in ginning factories, on sellers' account?
11. Do the market records show daily arrivals? Compile a statement of daily and monthly arrivals for last season from the records available and of prices for the same dates.
12. State the system of weighment in use. Are there any complaints from cultivators about weighments; if so, what?
13. How is the weighman paid and how much? By whom is he employed?
14. What are the allowances and deductions customary in the market? Is there any complaint from sellers that these are unfair?

## APPENDIX " E."

## (A) NAMES OF THE VILLAGES INVESTIGATED.

## BERAR (1925-26) (12).

<i>Yeotmal District</i>	.. Villages :—	Malkhed, Lakh and Kalamb.
<i>Amraoti District</i>	.. ..	Itki, Haterna and Loni.
<i>Buldana District</i>	.. ..	Shegaon, Kherda and Asalgaon.
<i>Akola District</i>	.. ..	Sirsoo, Gaigaon and Batwadi.

## NORTH GUJERAT (1925-26) (15).

<i>Ahmedabad District</i>	.. Viramgaon Taluka :	.. Villages:—	Hansalpur, Bhojva, Vani, Detroj, Dumana and Dhakdi.
do.	.. Dholka Taluka :	..	Bavla, Rupal, Derun, Chaloda and Visalpur.
<i>Morvi State</i>	..	..	Jetpur, Mota Dahisara. Zankara and Barvalla.

## KHANDESH (1925-26) (10).

<i>West Khandesh District.</i>	.. Sindkheda Taluka	.. Villages:—	Gorana, Varpada, Ajanda Budruk, Son- shelu, Vaghoda and Pimprad.
<i>East Khandesh District</i>	.. Jalgaon Taluka	.. ..	Mamurabad and Kan- dari.
- do. -	.. Parola Taluka	.. ..	Tamaswadi and Dev- gaon.

## KHANDESH (1927-28) (10).

(Same as in the above.)

## MIDDLE GUJERAT (1927-28) (23).

<i>Broach District :</i>	.. Broach Taluka	.. Villages:—	Derol, Tavra, Varedia and Samni.
<i>Baroda State :</i>	.. Baroda Prant	.. ..	Sarar, Parikha, Man- dala, Bhilapur, Bhat- pur, Jafarpura, Rasula- bad and Karachia.
<i>Panch Mahals District.</i>	Halol Taluka	.. Villages:—	Halol, Muvla, Timbi, Itwadi, Tarkhanda, Goraj, Vesania, Ghoda- dra, Vaswell, Dankhe- da and Ambali.

## SIND (1927-28) (15).

<i>Lift Irrigated Areas:</i>	<i>Hyderabad (Sind)</i>	<i>Hala Taluka :</i>	<i>Villages:—Khandoo and Salaro.</i>
	<i>District</i>		
	<i>do.</i>	<i>Hyderabad Taluka :</i>	<i>Villages:—Tando Kaiser and Bhindo.</i>
	<i>Nawabshah District</i>	<i>Shahdadpur Taluka:</i>	<i>Villages:—Sohi Kan dhar.</i>
<i>Nasrat Canals System.</i>	<i>Nawabshah District.</i>	<i>Nawabshah Taluka..</i>	<i>Villages:—Dehs Nos. 26, 106, 107 and 26A.</i>
<i>Jamrao Canals System :</i>	<i>Thar &amp; Parkar District.</i>	<i>Mirpurkhas Taluka.</i>	<i>Villages:—Dehs. Nos. 127 and 128.</i>
	<i>do.</i>	<i>Digri Taluka:</i>	<i>„ Deh No. 167.</i>
	<i>do.</i>	<i>Jamesabad Taluka.</i>	<i>„ Dehs. Nos. 259, 270 and 270-A.</i>

## THE PUNJAB (1927-28) (33).

<i>Lyallpur District:</i>	<i>Villages:—</i>	<i>197 R.B., 263 R.B., 213 R.B., 110 R.B. 2 J.B. 43 G.B. 282 G.B. and 67 G.B.</i>
<i>Multan District</i>	<i>„ „</i>	<i>17/8 R., 78/15 L., 93/10 R., 113/10 R. 115/5 L., 105/15 L., 7/9 Hanuman Garh and Jiwandsingh Wala.</i>
<i>Lahore District</i>	<i>„ „</i>	<i>Chak 6 Alipore, Baban Khai, Bukkanke, Chak 4 Abadi Janubi Sham Kot Kuhna, Joya, Chak 58 Fauji Grantees and Ghanyeke.</i>
<i>Rohtak District</i>	<i>„ „</i>	<i>Thana Khurd, Selana, Garhi Ujale Khan, Bhalant, Pahrawar, Pai, Rana Kheri, Bhainswan Khurd and Lahli.</i>

## MADRAS (1927-28) (9).

<i>Westerns Tract :</i>	<i>Bellary District</i>	<i>Adoni Taluka</i>	<i>Villages :—Maderae, Kanakavidu and Nagarahalu.</i>
		<i>Alur Taluka</i>	<i>„ Maedéhalu.</i>
<i>Northerns Tract</i>	<i>Kurnool District.</i>	<i>Nandyal Taluka</i>	<i>„ Chindukur and Kavalur.</i>
		<i>Koilkuntla Taluka</i>	<i>„ Koilkuntla and Dhornipadu.</i>
		<i>Allagada Taluka</i>	<i>„ Yellur.</i>

## (B) NAMES OF THE MARKETS INVESTIGATED.

## BERAR (1925-26) (9).

<i>Buldana District</i>	<i>Markets :—</i>	<i>Khamgaon, Shegaon, Jalgaon.</i>
<i>Akola District</i>	<i>„ „</i>	<i>Akola, Balapur,</i>
<i>Amraoti District</i>	<i>„ „</i>	<i>Amraoti, Banosa.</i>
<i>Yeotmal District</i>	<i>„ „</i>	<i>Yeotmal, Darwa.</i>

(Daryapur, Wun and Pandharkawada were also investigated generally, but individual sellers were not examined in those markets).

## NORTH GUJERAT (1925-26) (3).

*Ahmedabad District* ..Markets :—Bavla, Dhanduka, Koth.

## KHANDESH (1925-26) (9).

*West Khandesh District* ..Markets :—Dhulia, Nandurbar, Dondaicha, Shahada, Shirpur.

*East Khandesh District* .. ,, Jalgaon, Amalner, Pachora, Maheji.

## KHANDESH (1927-28) (10).

*West Khandesh District* ..Markets :—Dhulia, Nandurbar, Dondaicha, Shahada, Shirpur.

*East Khandesh District* .. ,, Jalgaon, Amalner, Pachora, Chalisgaon.

*Nasik District* .. ,, Malegaon.

## MIDDLE GUJERAT (1927-28) (20).

*Broach District* ..Markets :—Broach, Derol, Palej, Amod, Jambusar.

*Baroda State* .. ,, Dabhoi, Bahadarpur, Bodeli, Samalaya, Bhatpur, Jojawa, Itola, Antoli, Desar Road.

*Panch Mahals District* ..Markets :—Godhra, Halol, Champaner Road, Derol, Timba Road, Tulsigam.

## SIND (1927-28) (5).

*Hyderabad District.* Markets :—Hyderabad (Sind.)

*Nawabshah District* .. ,, Nawabshah, Tando Adam, Shahdadpur.

*Thar & Parkar District :* .. ,, Mirpurkhas.

## THE PUNJAB (1927-28) (12).

*Lyallpur District* ..Markets :—Lyallpur, Jaranwala, Chak Jhumra, Toba-Tek-Singh.

*Multan District* .. ,, Khanewal, Mian Channu, Jahania.

*Lahore District* .. ,, Pattoki, Chunian, Kot- Radha-Kishan.

*Rohtak District* .. ,, Rohtak, Sonapat.

## MADRAS (1927-28) (2).

*Westerns Tract* ..*Bellary District* :— Market :— Adoni.

*Northerns Tract* ..*Kurnool District* :— ,, Nandyal.

## APPENDIX "F."

## Weight Systems in the Areas Investigated.

## BERAR.

## (a) Villages.—

Yeotmal District—1 *Maund*=19 *seers* and sometimes 16 *seers*.  
20 *Maunds*=1 *Khandi*.

Amroati District—1 *Maund*=15 *seers*.  
20 *Maunds*=1 *Khandi*.

Buldana District —Asalgaon—1 *Maund*=20 *seers* & 14 *seers* indiscriminately.  
20 *Maunds*=1 *Khandi*.



Kherda—1 *Maund*=28 *seers*.

20 *maunds*=1 *Khandi*.

Shegaon—1 *Maund*=14 *seers*.

28 *Maunds*=1 *Khandi*.

Akola District—(No information).

(b) *Markets*— 1 *Maund*=28 lbs.

28 *Maunds*=1 *Khandi*=784 lbs.

### North Gujerat.

1 *Bhar*=16 *Maunds*.

1 *Maund*=40 lbs.

### Khandesh.

	No. of <i>seers</i> in a <i>maund</i> .	No. of lbs.
(a) <i>Villages</i> :—		
West Khandesh :—	72 & 44 used indiscrimi- nately.	144 or 88 as the case may be.
East Khandesh :—	72 48 or 23	144 96 or 46
(b) <i>Markets</i> :—(1) West Khandesh :—		
(a) Dhulia. }	72	144
(b) Nardana }	..	..
(c) Shirpur	.. 50	100
(d) Nandurbār	.. 45	90
(e) Sindkheda	.. 44	88
(f) Shahada	.. 44	88
(g) Navapur	.. 40	80
(2) East Khandesh :—		
(a) Pachora	.. 80	160
(b) Parola	.. 74	148
(c) Dondaicha }	.. 72	144
(d) Amalner }	..	..
(e) Maheji	.. 52	104
(f) Dharangaon	.. 50	100
(g) Jalgaon	.. 48	96
(h) Jamner	.. 47	94
(i) Chalisgaon	.. 46½	93
(j) Kajgaon	.. 46	92
(k) Chopda	.. 46	92
(l) Faizpur }	.. 44	88
(m) Yawal }	..	..
(n) Shendurni	.. 25½	51
(o) Edlabad	.. 22	44
(p) Bodwad	.. 21½	43
(3) Nasik District :—		
Malegaon	.. 49½	98½

*N.B.*—Strictly speaking 2·057 lbs. make a *seer*, but the *seers* here have been roughly converted into lbs. at the rate of 1 *seer* 2 lbs.

### Middle Gujerat.

#### (a) Villages.—

In Broach District :—	1 <i>Bhar</i>	= 20 " <i>Dhads</i> "	= 25 <i>Maunds</i> .
	1 <i>Dhadi</i>	= 50 <i>Seers</i>	= 1 $\frac{1}{4}$ <i>Maunds</i> .
	1 <i>Maund</i>	= 40 <i>Seers</i>	= 41 lbs.
therefore	1 <i>Bhar</i>	= 1025 lbs.	
In Baroda State :—	1 <i>Bhar</i>	= 20 <i>Dhadis</i>	= 24 <i>Maunds</i> .
	1 <i>Dhadi</i>	= 48 <i>seers</i>	= 1 $\frac{1}{8}$ <i>Maund</i>
	1 <i>Maund</i>	= 40 <i>Seers</i>	= 41 lbs.
therefore	1 <i>Bhar</i>	= 984 lbs.	

(In some villages of the Baroda State the weight system is the same as in Broach).

In Panch Mahals District :—	1 <i>Bhar</i>	= 16 <i>Dhadis</i>	= 24 <i>Maunds</i>
	1 <i>Dhadi</i>	= 60 <i>Seers</i>	= 1 $\frac{1}{2}$ <i>Maunds</i> .
	1 <i>Maund</i>	= 40 <i>Seers</i>	= 41 lbs.
therefore	1 <i>Bhar</i>	= 984 lbs.	

(In some villages of the Panch Mahals District the weight system is the same as in Baroda, and in some others as in Broach).

#### (b) In the Markets (generally)—

1 <i>Bhar</i>	= 9 Cwts—12 lbs.	= 1020 lbs.
1 <i>Maund</i>	= 40 lbs.	

#### Sind.

1 <i>Maund</i>	= 86.4 lbs.
----------------	-------------

#### The Punjab.

1 <i>Maund</i>	= 80 lbs.
----------------	-----------

#### Madras.

#### (a) Villages:—

1 <i>Maund</i>	= 4 <i>Dhadiams</i>	= 48 <i>Seers</i> .
1 <i>Naga</i>	= 12 <i>Maunds</i> of lint	= 48 <i>maunds</i> of <i>kapas</i>
1 <i>Kantlam</i>	= 63 <i>Maunds</i> of <i>kapas</i>	(generally).
(At one or two places it is equal to 60 <i>maunds</i> of <i>kapas</i> ).		

A "*Kantlam*" is usually a cartload. The lb. equivalent of the *maund* is slightly different in the Westerns and in the Northern Tract. In the former, a *maund* is equal to 26 lbs. and in the latter, it equals 26 $\frac{2}{3}$ . The "*Kantlam*" then comes to 1680 lbs. in the Northern tract where the term is chiefly used.

#### (b) Markets:—

1 <i>Maund</i>	= 4 <i>Dhadiams</i> .
1 <i>Dhadiam</i>	= 12 <i>Seers</i> .
1 <i>Naga</i>	= 12 <i>Maunds</i> .
1 <i>Kantlam</i>	= 63 <i>Maunds</i> .

But at Adoni a "*Maund*" is equal 26 lbs, while at Nandyal it is equal to 26  $\frac{2}{3}$  lbs.

## APPENDIX G.

## BERAR COTTON AND GRAIN MARKETS LAW.

## GOVERNMENT OF INDIA.

## FOREIGN DEPARTMENT.

*Notification, No. 1727-I.B., dated Simla, the 6th May 1897.*

Whereas it has been customary in the Hyderabad Assigned District for the Government to open markets and bazaars for the sale of agricultural produce, to arrange for the conservancy and management thereof, to levy fees therein and to provide for the collection and disposal of the fees levied as aforesaid;

And whereas it is expedient to continue the custom aforesaid :

In exercise of the powers conferred by Sections 4 and 5 of the Foreign Jurisdiction and Extradition Act (XXI of 1879) and of all other powers enabling him in this behalf, the Governor-General in Council is pleased to issue the following orders :—

1. (1) These orders may be called the Berar Cotton and Grain Markets Law, 1897, and are hereinafter referred to as "this Law."

(2) This Law shall come into force at once.

2. The Resident may, by notification in the *Hyderabad Residency Orders*, declare that any place, the property of the Government or of the public or of a Municipal Committee or District Board, is a market or bazaar for the sale of agricultural product generally or for the sale of a particular class or classes of agricultural produce, and may from time to time amend, vary or rescind any such notification.

\*3. (1) Such committee or person as may from time to time be appointed for the purpose of carrying out this Law may, in the case of any officer or servant of the Government employed in connection with a market or bazaar,

- (a) where his services are wholly lent to such committee or person, subscribe for his pension or gratuity and leave allowances in accordance with any regulations of the Government for the time being in force relating to such pension or gratuity and leave allowances; and,
- (b) where he devotes only a part of his time to the performance of duties in behalf of such committee or person, contribute to his pension or gratuity and leave allowances in such proportion as the Resident may determine.

---

\* This section was added by Foreign Department Notification No. 3101-I. B., dated 25th July 1902.

(2) Any such committee or person may, in the case of any officer or servant not being an officer or servant of the Government—

- (a) grant him leave allowances and, where his monthly pay does not exceed ten rupees, a gratuity ; and,
- (b) where such committee or person is empowered in this behalf by the Resident,
- (i) subscribe in his behalf for his pension or gratuity and leave allowances in accordance with any regulations of the Government for the time being in force relating to such pension or gratuity and leave allowances; or
- (ii) purchase for him from the Government or otherwise an annuity on his retirement :

Provided that no pension, gratuity, leave allowances or annuity shall exceed the sum to which, in accordance with the regulations of the Government for the time being in force relating to pensions, gratuities, leave allowances or annuities, the officer or servant would be entitled if the service had been under the Government :

Provided also that, with the sanction of the Resident, a gratuity not exceeding one half of the cost of the annuity admissible under this section may be granted in lieu of such annuity.

*Power to make rules for markets and bazaars.* 4. (1) The Resident may, in respect of any market or bazaar notified under Section 2, make rules for—

- (a) the management of the market or bazaar, the levy of fees therein and, subject to the provisions of Section 4, the collection and disposal of such fees;
- (b) the conditions under which licenses shall be issued to brokers, weighmen, and measurers using the market or bazaar, and the fees to be charged for such licenses ;
- (c) the place or places for weighment and measuring, the description of scales, weights, and measures to be used, the periodical inspection, verification, and correction of such scales, weights, and measures, and the seizure and confiscation of such scales, weights and measures if used in violation of such rules ; and,
- (d) generally, the guidance of such committees or persons as may from time to time be appointed for the purpose of carrying out of this Law.

(2) All rules under this Section shall be published in the *Hyderabad Residency Orders*, and shall thereupon have the force of Law.

(3) In making any rule under this section, the Resident may direct that a breach of it shall be punishable with fine which may extend to fifty rupees, and, when the breach is a continuing breach, with fine which, in addition to such fine as aforesaid, may extend to five rupees for every day after the first during which the breach continues.

5. (1) All fees under the last foregoing section shall be levied at rates calculated so as to meet, as nearly as may be, the expenditure deemed necessary for the purposes hereinafter mentioned, and the collections therefrom shall be applied in the first instance to those purposes under the direction of the Resident, and through such agency as the Resident may appoint in that behalf; that is to say—

- (1) the maintenance and improvement of the market or bazaar in which the fees are levied, its surroundings and approaches;
- (2) the construction and repair of buildings, *chabutras*, and other erections necessary for the purposes of such market or bazaar;
- (3) the health, convenience, and safety of the persons using such market or bazaar; and
- \*(4) the provision of pensions, gratuities, leave allowances and annuities for any officers or servants employed in connection with a market or bazaar.

(2) The surplus (if any) shall, in the case of a market or bazaar within municipal limits, be paid over to the Municipal Committee concerned for expenditure on the purposes specified in the Berar Municipal Law, 1886, and, in the case of any other market or bazaar, to the District Board concerned for expenditure on the purposes specified in the Berar Rural Boards Law, 1885.

6. (1) No trade allowances shall be recognized in any market or bazaar notified under Section 2, and no civil court shall, in any suit arising out of a transaction entered into in any such market or bazaar, have regard to any usage or trade custom or alleged usage or trade custom to the contrary.

(2) In every cotton market or bazaar notified under Section 2, all samples shall be paid for, and no civil court shall, in any suit arising out of a transaction entered into in such market or bazaar, have regard to any usage or trade custom or alleged usage or trade custom to the contrary.

(3) In every transaction entered into in any cotton market or bazaar notified under Section 2, it shall be presumed that the parties intend that cotton shall be weighed in the sacking, and that the seller guarantees that the sacking of each package shall not weigh more than ten pounds.

*Explanation.*—Every deduction other than deductions on account of deviation from sample when the purchase is made by sample, or of deviation from standard when the purchase is made by reference to a known standard, or on account of a difference between the actual weight, of the sacking and the standard weight, or on account of the admixture of foreign matter, shall be regarded as a trade allowance for the purposes of this Law.

---

\*This was added by Foreign Department Notification No. 3101-1 B. dated 25th July 1902.

7. (1) When the Resident has, by notification under Section 2, declared any place to be a market or bazaar for the sale of agricultural produce generally, or for the sale of any particular class or classes of agricultural produce, no new market or bazaar shall, except with the sanction in writing of the Resident and subject to such conditions as the Resident may think fit to impose, be established for the like purpose within five miles of the market or bazaar notified as aforesaid.

(2) Whoever establishes a market or bazaar in contravention of this section, or violates the conditions under which he is authorised to establish a market or bazaar under this section, shall be punishable, with fine which may extend to fifty rupees, and, in the case of a continuing breach, with fine which, in addition to such fine as aforesaid, may extend to five rupees for each day after the first during which the breach continues.

8. Fees leviable in pursuance of any rules under this Law may be realized as fines under the orders of any Magistrate.

9. The bazaar cess, the levy of which was authorised by the Notification of the Government of India in the Department of Revenue, Agriculture, and Commerce, No. 11, dated the 27th January 1875, shall cease to be levied in any market or bazaar notified under Section 2.

W. J. CUNINGHAM,  
*Secretary to the Government of India.*

## APPENDIX H.

### RULES UNDER THE BERAR COTTON AND GRAIN MARKETS LAW. HYDERABAD RESIDENCY ORDERS.

*Notification, No. 79-B, dated Hyderabad Residency, the 1st. April 1918.*  
(As amended up to the 31st. July 1914.)

The Resident in exercise of the powers conferred on him by section 4† of the Berar Cotton and Grain Markets' Law, 1897, is pleased to make the following Rules for the purposes specified therein. These Rules shall come into force from the date of this notification:—

#### *Appointment of the Managing Committee.*

1. Immediately on the publication of these orders, and hereafter on or as soon as possible after the 1st April in each year, the Deputy Commissioner shall prepare a list of persons eligible for appointment as members of the Managing Committee of a market or bazaar.

*Preparation of lists of persons eligible for appointment.*

---

† Residency Orders Notification No. 258, dated the 7th October 1902.

2 The following persons shall be eligible for appointment :—

*Qualification of members.*

- (1) Every member of the Municipal Committee—if the market or bazaar is situate within municipal limits—who is not in any way personally interested in the cotton trade.
- (2) Every person who on his own account, or on account of the undivided Hindu family of which he is the manager, has in the financial year immediately preceding the financial year in which the appointment is made, purchased or sold in the market, as evidenced by the market registers, not less than 100 *bhojas* of ginned cotton or 100 *khandis* of unginned cotton.

NOTE.—For the purpose of these rules ginned cotton includes cotton from which the seed has been removed by any process whatever.

- (3) The principal agent, or, if the principal agent is otherwise disqualified, the next senior agent or servant, of every firm or company which has in the financial year next preceding the financial year in which the appointment is made, purchased or sold in the market, as evidenced by the market registers, not less than 500 *bhojas* of ginned cotton (200 *bhojas* for Karinja cotton market) or not less than 500 *khandis* of unginned cotton (200 *khandis* for Karinja cotton market):

Provided that no person shall be eligible for the appointment who—

- (a) has not resided within the limits, or within five miles from the limits, of the town or municipality, as the case may be, in which the market or bazaar is situate for three months on the date on which the list is prepared ;
  - (b) is a female, is not 21 years of age is of unsound mind, or is affected with incurable disease ;
  - (c) has been declared an insolvent, or has been convicted of such offence, or has been subjected by a Criminal Court to such order as implies, in the opinion of the Deputy Commissioner, a defect in character which unfits him to serve as a member of the Committee ;
  - (d) is a clerk or servant of the Committee, or is a licensed broker, or is a licensed weighman ; or
  - (e) has directly or indirectly any share or interest in any contract or employment with, or on behalf of, or under, the Committee;
  - (f) being a buyer or seller has not registered his name under rule 50.
- \* (4) An *aratya* who has in the financial year last preceding the financial year in which the appointment is made, purchased or sold in the market, as evidenced by the market registers, not less than 500 *bhojas* of ginned cotton or not less than 500 *khandis* of unginned cotton.

*Explanation.*—An *aratya* means and includes a general commission agent who, in consideration of *arat* or commission, offers to make or makes purchases or sales of *kapas* or cotton and offers to do or does all things necessary for completing and carrying out those purchases, or sales for and on account of others, that is, his principals or constituents.

3. A copy of the list prepared by the Deputy Commissioner shall be exhibited on a board for public information at each of the following places, namely :—  
*Lists prepared by the Deputy Commissioner to be published.*

The Deputy Commissioner's office ;  
 The Tahsildar's office ;  
 The office of the Municipal Committee; and  
 The principal gate of the Cotton Market.

4. The Deputy Commissioner may, if he thinks fit, at any time, on receipt of an application, enter in the list the name of any person who is eligible for appointment, and may from time to time order the removal from the list of the name of any person who has ceased to be eligible for appointment.

5. A person shall become ineligible for appointment if he ceases to be a member of the Municipal Committee or if he ceases to reside within the limits of the town or municipality, as the case may be, in which the market or bazaar is situate, or within five miles from such limits. A person shall be held to have "ceased to reside" if he is ~~continuously absent~~ *absent* from his residence for four months, and for eight months in case of Karinja Municipality.

6. On or as soon as possible after the 15th June in every year the Deputy Commissioner shall submit for the Commissioner's approval not less than five persons selected from the list prepared under rule 1 for appointment to the Committee of Management. Such Committee shall ordinarily consist of five members, but shall not be considered to be improperly constituted by reason only of the number of members being at any time less than that number.

Selection shall ordinarily be made by the Deputy Commissioner in the following manner :—

(a) Two of the five members of the Committee shall be elected by the Municipal Committee at a special meeting to be held not later than the 31st May in each year from among such of the members of the Municipal Committee as may be fully qualified under rule 2, and the result shall be communicated to the Deputy Commissioner before the 8th June following.



- (b) The remaining three members of the Committee shall be elected by ballot at an election to be held by the Deputy Commissioner or such officer as he may depute for the purpose not later than the 10th June by the persons appearing on the list prepared by the Deputy Commissioner under the foregoing rules.
- (c) In the event of the Municipal Committee failing to elect and report the election of two representatives by the date prescribed above, or electing and reporting the election of only one by that date, or in the event of the market not being situated within municipal limits, the vacancies, one or two, as the case may be, shall be filled by election as provided in clause (b) of this rule or by nomination by the Deputy Commissioner, as that officer may decide.
- (d) The ballot shall be scrutinized by the Deputy Commissioner or by an officer appointed by him for the purpose, and their decision thereon shall be recorded in writing and deemed final. In the event of the votes being equal in any case, the officer conducting the election shall have a casting vote.
- (e) Should the persons entitled to vote under clause (b) fail to elect the number of members required, the Deputy Commissioner shall nominate them, and should the Commissioner not approve of the names submitted after election or otherwise, the nomination and appointment of other persons in their place shall rest with the Deputy Commissioner and the Commissioner.
- (f) No second election will be held under any circumstances.

7. The names of the persons approved by the Commissioner shall be notified in the *Central Provinces Gazette*, and they shall come into office on the first day of the November\* next following their appointment. A member appointed to fill a casual vacancy shall come into office on the date on which his appointment shall have been notified in the *Central Provinces Gazette*. All members shall vacate office on the first day of November\* following the date of their entrance into office: **provided that between the date on which these rules come into force and the thirty first day of October 1898 a provisional committee shall be nominated by the Deputy Commissioner and appointed by the Commissioner in the manner provided by the first paragraph of rule 6, such provisional committee being composed as far as may be of the members of the committee already in office when these rules are published.**

8. A casual vacancy occurs when a member having died, resigned, or become ineligible for office, whether, *Casual vacancies.* before entry into office or during the term of office, the Deputy Commissioner, on the matter being brought to his notice, declares a vacancy. It shall be the duty of the Chairman of the Committee to bring to the notice of the Deputy Commissioner facts which would justify the Deputy Commissioner in making such

---

\* Residency Orders Notification No. 340, dated the 16th December 1902.

a declaration. On the occurrence of a casual vacancy, the Deputy Commissioner shall submit the names of not less than two persons for the Commissioner's approval, and the person selected by the Commissioner shall thereupon succeed to the vacancy.

9. Nothing in these rules shall be deemed to prevent the Chief Commissioner from at any time superseding a Committee or removing any member from the Committee and appointing other members either in lieu of or in addition to members appointed under these rules, and from selecting such members in such manner as he may consider advisable.

*Powers of Chief Commissioner as to appointment and removal of members.*

*The powers and duties of the Committee.*

10. The Committee shall so far as the funds at its disposal will permit, but subject to the provisions of these rules and to such exceptions and conditions as the Deputy Commissioner may, subject to the provisions of these rules, from time to time make and impose, provide (1) for the maintenance and improvement of the market, its surroundings, and approaches; (2) for the construction and repair of buildings, *chabutras*, and other erections necessary for the purposes of the market; and (3) for the health, convenience, and safety of the persons using the market.

*Duties of the Committee.*

11. The Committee may, with the previous sanction of the Deputy Commissioner from time to time, make rules consistent with these rules as to—

- (a) the time and place for meetings;
- (b) the manner of convening meetings, and of giving notice therefor;
- (c) the quorum required at meetings;
- (d) the conduct of proceedings at meetings;
- (e) the division of duties among the members;
- (f) the persons by whom receipts may be granted on behalf of the Committee for money paid; and
- (g) the guidance of all persons employed or appointed for the purpose of carrying out the law or the rules framed under the law.

12. The Committee may also appoint one or more of its members to be a sub-committee or to be a joint committee for the conduct of any work or works, or to report on any matter or matters, and may delegate to any one or more of its members such of its own powers as may be necessary.

*Appointment of sub-Committee or joint-committee, and delegation of duties to members.*

*The Chairman : his powers and duties.*

13. The Committee shall, subject to the confirmation of the Deputy Commissioner, appoint one of its member to be Chairman. He shall conduct all correspondence. All contracts shall be entered into in his name, and the servants of the Committee shall subject to these rules and to the orders of the Committee, be subject to his control. He shall keep the accounts, shall be responsible for the punctual rendition of all reports and returns, and for the custody of all monies not deposited in the treasury or with a banker, and shall be the chief executive officer of the Committee.

*The Chairman.*

14. The Chairman shall, subject to the provisions of rule 15, hold office from the date of his appointment until a new Committee has come into office. But in the event of the Chairman's dying, resigning, or becoming incapable of acting, the Committee shall appoint another Chairman.

*Term of office of, and casual vacancies in office of, Chairman.*

15. A Chairman may be removed by the Chief Commissioner by reason of his having ceased to be eligible for appointment as member of the Committee or for any other cause.

*Removal of Chairman by the Chief Commissioner.*

*Meetings of the Committee.*

16. The Chairman, or in his absence a member selected for the occasion, shall preside at meetings, and the Chairman or presiding member shall be entitled to speak and vote on all questions, and shall also have a casting vote in every case in which the votes are equally divided.

*Chairman to preside.*

17. A minute book shall be kept for permanent record, and a record of the proceedings, at every meeting shall be made by, or under the supervision of, the Chairman or other presiding member, and shall be signed by him.

*Minute book to be kept.*

18. The Deputy Commissioner, or the Chairman of the Municipal Committee, or any member authorized in writing by such Deputy Commissioner or Chairman, shall be entitled to attend any meeting of the Committee and to address the Committee on any matter.

19. The meetings of the Committee shall, as a rule, be open to the public, but on a motion carried by two-thirds of the members present, strangers may be required to withdraw.

*Meetings open to the public as a rule.*

20. A copy of the proceedings of every meeting of the Committee shall be forwarded to the Deputy Commissioner forthwith, and, if the market or bazaar is situate within municipal limits, through the office of the Municipality.

*Copy of proceedings of meetings.*

21. References from the Committee to any Government officer shall be made through the Deputy Commissioner.  
*References.*

*Servants of the Committee.*

22. The Committee may employ such servants as may be necessary and proper for the efficient execution of its duties, and may assign to such servants such pay as it thinks fit.  
*Employment of servants.*

23. When any appointment is made by the Committee to an office carrying a salary exceeding Rs. 10 per mensem, the Committee shall furnish to the Deputy Commissioner full particulars in writing regarding the age, parentage, caste, residence, and qualification of the person appointed and the salary allotted to him.  
*Appointments of servants.*

24. No servant of the Committee in pensionable employ drawing a salary exceeding Rs. 10, nor any other servant drawing a salary of Rs. 25 or upwards, and no Government official employed by the Committee, shall be dismissed or degraded save with the previous sanction of the Deputy Commissioner.  
*Dismissal of servants.*

25. If in the opinion of the Deputy Commissioner—  
 (a) the number of servants employed by the Committee under rule 22 or the pay assigned by the Committee to these servants or to any particular servant is excessive ; or  
*Control of the Deputy Commissioner over establishments.*

(b) any such servant is unfit for his employment, the Committee shall, on the requisition of the Deputy Commissioner, reduce the number or the pay, or, as the case may be, dismiss the unfit servant.

*Restrictions on the powers of the Committee.*

26. The Committee shall be guided by those general principles of which the Government has approved in their several departments of administration.  
*Committee to be guided by Government rules.*

27. The Committee shall take all possible steps to secure an adequate check on the due crediting of receipts and on payments made by its officers and servants, and it shall furnish to the Deputy Commissioner all information he may require regarding the action taken in this respect.  
*Check on receipts and expenditure.*

28. The Committee shall make due arrangements to insure that works sanctioned have been duly executed.  
*Execution of sanctioned works.*

29. All receipts on account of fees recovered under these rules and all other items of income whatsoever shall be daily credited in full into the Government treasury or sub-treasury where there is one, and all balances shall be kept in such treasury, and shall not be drawn out except in accordance with these rules.

\*29.A. The surplus of the Cotton Markets on the 31st October shall be transferred on the 1st November of each year to the Municipal Committee or the District Board concerned under Section 4 (2) of the Berar Cotton and Grain Markets Law, 1897.

NOTE.—The word “surplus” shall be taken to mean all unexpended balances.

30. All payments shall be made on cheques drawn on behalf of the Committee.

*Payments to be made by cheques only.*

31. Every cheque drawn on behalf of the Committee shall be signed by the Chairman, or, in his absence, by two other members. No such cheque may be drawn except on a bill which has been examined and passed by the Chairman or on the issue or recoupment of an imprest, if any. And the said Chairman shall not pass any bill for payment without the previous sanction of the Committee, except to provide for the following matters :—

- (1) Salary of fixed establishment.
- (2) Payment for works and repairs sanctioned by competent authority.
- (3) Sums for emergent purposes which, in anticipation of the sanction of the Deputy Commissioner, may be met on the authority of the Chairman :

†Provided that, in the absence of the Chairman from the town, bills for payments of the above nature may be passed and signed by any two members.

32. No payment shall be made from the Government treasury on any cheque purporting to be drawn on behalf of the Committee unless it be signed by the Chairman or by two members as already provided.

*Authority to sign cheques.*

‡32-A. All remittances to the treasury shall be accompanied by challans in duplicate and a pass-book. Upon receipt of the money by the treasury, both sides of the pass-book shall be written up to date by the Treasury Accountant : the entries shall be initialled by the Treasury Officer and the book returned.

\* Residency Orders Notification No. 340, dated the 16th December 1902.

† Central Provinces Gazette Notification No. 241, dated the 3rd March 1914.

‡ Central Provinces Gazette Notification No. 11591, dated the 3rd October 1934.

32-B. The pass-book is not an account book of the Committee, but is simply a copy of the account kept in the Treasury of the money paid in and withdrawn on behalf of the Committee and must therefore always be written up by the Treasury Department by whom the original account is kept.

32-C. At the close of each month, the balance in the pass-book shall be struck and the amount written in words and signed by the Treasury Officer.

33. Provision for works and repairs may be made in the budget-estimate under the following sanctions :—  
*Sanctions required for works.*

- (1) When the cost of the work is less than Rs. 200, the sanction of the Committee ;
- (2) When the cost of the works exceeds Rs. 200, the sanction of the Deputy Commissioner, and subject to the preparation of plans in the case of all works the cost of which is likely to exceed Rs. 50.

34. Plans and estimates for works estimated to cost less than Rs. 200 shall be signed by the Chairman, and plans and estimates for works estimated to cost more than Rs. 200 shall be signed by the Chairman and by the Deputy Commissioner, in token of approval of design and cost. In the case of original works estimated to cost more than Rs. 500, the professional approval of the Executive Engineer of the district shall be obtained and evidenced by his counter-signature.

35. All works shall be carried out under the supervision of the Chairman unless the Deputy Commissioner in any particular case directs otherwise.  
*Supervision of works.*

36. Contracts entered into by the Committee shall ordinarily be reduced to writing and the provisions of the Stamp and Registration Acts shall be complied with. Written contracts shall be signed on behalf of the Committee by the Chairman and one member.  
*Contracts.*

#### *Annual budget and accounts.*

\* 37. For the purposes of the rules following the cotton market year shall be held to commence on the 1st November and end on the 31st October.

The Committee shall annually hold a special meeting in the first week of June and shall prepare a budget of income and expenditure for the ensuing year. The budget shall be submitted to the Deputy Commissioner, who shall sanction the same with such alterations as he may consider proper and shall communicate the sanctioned budget to the Committee. The Committee shall regulate their expenditure in accordance with it.

† 38. Annual accounts for the past year shall be submitted to the Deputy Commissioner annually along with the budget.  
*Annual accounts and audit.*

\* Revised by *Central Provinces Gazette* Notification No. 689, dated the 25th October 1906.

† Revised by *Central Provinces Gazette* Notification No. 8784, dated the 31st July 1905 and No. 689, dated the 25th October 1906.

‡ 38-A. The accounts of the cotton markets shall be audited locally by the Local Audit Establishment of the Comptroller, Central Provinces. At the time of audit the Chairman, Vice-Chairman or Secretary shall cause to be produced all accounts, registers, documents and subsidiary papers which may be called for by the audit officer for the purposes of his audit. Any explanation called for by that officer for the settlement of any discrepancy shall also be immediately furnished to him.

To meet the cost of the Local Audit Establishment, the Cotton Market Funds will, with effect from the 1st April 1904, contribute to the Provincial Revenues one per centum on the total annual expenditure. In calculating the total expenditure on which fees are to be levied, all amounts falling under the heads of "Advances and Deposits," including the amount of expenditure on Public Works audited by the Examiner, Public Works Accounts, and the surplus amount paid, are to be left out of account.

*The collection of fees.*

*Fees to be levied.* 39. The following fees shall be levied in the market :—

- (1) On every package (*docra or akha*) of ginned cotton, six pies.
- (2) On every cart laden with unginned cotton, one anna.

40. The fees shall be payable as soon as the cotton is brought into the market ; but unless there is reason to fear that the duty will be evaded, it shall not be recovered till the cotton is after sale removed from the market yard.

*Recovery of fees.* 41. A receipt shall be granted to the payer in respect of every fee collected under these rules, and a register of collections to be kept.

42. The fees shall be collected by paid servants of the Committee, and shall not be farmed out.

*Fees to be collected by paid servants.* 43. Every servant employed by the Committee for the collection of fees shall wear a suitable badge of office provided by the Committee.

*Servants employed on the collection of fees to wear badges.* 44. Any person removing or attempting to remove cotton from the market yard before the fee has been paid and the receipt prepared and granted, or practising any device in order to evade or facilitate the evasion of the payment of the fees, shall be liable to a fine not exceeding Rs. 50.

---

‡ Central Provinces Gazette Notification No. 8784, dated the 31st July 1905.

45. Every person authorized to collect the fees shall be provided with a locked money box, the key of which shall remain in the charge of the Chairman.

*Custody of collection.* The receipts shall be placed in the box by the payee, or in his presence by the person receiving the same and the box shall be opened daily at a fixed hour by the Chairman or such other member of the Committee as may be appointed for the purpose, who will be responsible for comparing the counterfoil receipts and register of receipts with the amount actually received.

*Management of the market.*

46. For the purposes of these rules, the area of every market entrusted to the management of the Committee shall include—

- Area of the market.*
- (1) The market yard (the enclosure bounded by walls and railings known as the cotton market yard);
  - (2) The market proper (including all lands, the property of the Government or of the Municipality, within a radius of 500 yards from the centre of the market yard); and
  - (3) The approaches (including all lands, the property of the Government or of the Municipality, within a radius of one mile from the centre of the market yard).

47. The Committee shall have the absolute control of the market yard, and, subject to these rules and to the orders of the Chief Commissioner and to such control as is by these rules or by any other law vested in the Deputy Commissioner or in the Municipal Committee, shall manage it as if it were the private property of the Committee, having regard always to the convenience of the cotton trade and the purpose for which the control is transferred to the Committee. The gates shall be opened and closed at such hours as the Committee may from time to time direct; the carts shall stand in such place and for such times as may be permitted, and ingress and egress may be permitted, to such persons and at such times, as the Committee may consider proper. The conservancy of the market yard shall be a first charge on the funds at the disposal of the Committee, and the upkeep of roads, wells, water-troughs, and buildings shall be wholly charged to that fund, and the Committee shall be responsible for the perfect conservancy of the yard and for the upkeep of the roads, well, water-troughs, and buildings therein :

Provided that no registered buyer or registered seller or registered buyer and seller shall be excluded from the yard at any time when the yard is open to the general public.

48. In the market proper, the Committee shall exercise such rights only as may be necessary for the more convenient enjoyment of the control of the market yard and for the convenience and comfort of the persons using the market and for the collection of the fees.

*Powers of the Committee.*



The Committee and, if the market or bazaar is situate within municipal limits, the Municipal Committee shall be jointly responsible for the conservancy of this area and for the proper repair and upkeep of all public roads in this area ; but the cost of such conservancy and the expenditure required for the upkeep of roads in this area shall be borne wholly by the Committee, unless the Deputy Commissioner, for reason to be recorded by him, after consulting the Committee and Municipal Committee, decides otherwise. Subject to police and municipal orders and rules, the Committee may in this area exercise such control over carts, cartmen, and passengers as may be necessary to prevent traffic to and from the market being impeded. They may also prevent any cart laden with cotton, and specially if duty has not been paid, from standing in any portion of the area or entering the area without express permission. In the approaches the Committee will exercise no control (except that they may regulate places at which carts laden with cotton may stand, and the roads by which and the times within which they may move) ; but they shall, if the market or bazaar is situate within municipal limits, out of the funds at their disposal, and to the extent of funds at their disposal, make such contributions to the funds of the Municipality as may, in the opinion of the Deputy Commissioner, after consultation with the Committee and with the Municipal Committee, from time to time appear reasonable, having regard to the filth deposited by, and the wear and tear to roads caused by, carts laden with cotton, and the bullocks and attendants appertaining to them.

49. Any person entering or attempting to enter the market yard when directed not to do so, or disobeying the directions of the Committee in regard to the places where carts laden with cotton may stand, or in regard to the roads by which, and in regard to the times at which, they may proceed, shall be liable on conviction to a penalty not exceeding Rs. 10 for the first offence and Rs. 50 for any subsequent offence.

50. Any person shall, on application at the office of the Committee be entitled to have his name immediately registered as a buyer or as a seller or as a buyer and seller on his executing an agreement in such form as the Commissioner may from time to time prescribe, agreeing to conform to the market rules, and on his paying such fee, if any, not exceeding Rs. 50 per annum, as the Committee, with the previous sanction of the Commissioner, may from time to time prescribe :

\* Provided that in the case of *aratyas* or agents acting for or employed by more than one person or by more than one firm, every such *aratya* or agent shall make an application at the office of the Committee to have his name registered and on his executing an agreement in such form as the Commissioner from time to time prescribes, agreeing to conform to the market rules, and upon his paying such fee, if any, not exceeding Rs. 100 per annum, as the

---

\* *Central Provinces Gazette* Notification No. 490, dated the 19th April 1909.

Committee, with the previous sanction of the Commissioner, may from time to time prescribe, his name shall immediately be registered as a buyer or seller or as a buyer and seller according as he may have requested in the application, and any such *aratya* or agent who does not conform or refuses to conform to the conditions of this proviso shall not be entitled to buy or sell in the market on account of his principals or constituents.

51. The Committee may remove from the register the name of any person registered as a buyer or as a seller or as a buyer and seller who violates the conditions of his agreement either permanently or for a fixed period not exceeding three months. In the event of there being a dispute as to whether the conditions of the agreement have been violated or not, the matter shall, after all the evidence on both sides has been recorded by the Chairman, be referred to the Deputy Commissioner for decision. The Deputy Commissioner shall decide the question on a perusal of the papers either after hearing or without hearing the parties, and his decision on that point shall be final. On the application of the Chairman, the Deputy Commissioner may depute any other officer subordinate to him to record the evidence. In the event of the Committee removing the name of any person permanently, the confirmation of the Deputy Commissioner shall be necessary.

52. No registered buyer or registered seller or registered buyer and seller shall weigh for delivery any cotton purchased or sold by him with any scales except authorized scales, or with any weights or chains except authorized weights and chains, and every registered buyer and every registered seller and every registered buyer and seller evading or attempting to evade this rule shall be held to have violated the conditions of his agreement.

*The licensing of brokers and weighmen.*

53. The Committee shall license such and so many persons as may from time to time appear proper to be licensed brokers and to be licensed weighmen, and the Committee may at any time withdraw any license granted by it :

Provided that no license shall be refused or withdrawn except on grounds which are reasonable and proper, and that the persons who hold licenses at the date when these rules come into force or have already obtained a license (as the case may be) shall have a preferential claim. In case a question arises as to whether the grounds on which a license has been refused or withdrawn are reasonable and proper, an appeal on the question shall lie to the Deputy Commissioner, and his decision thereon shall be final :

Provided also that no private servant shall be licensed as a broker or as a weighman, and that a licensed broker or weighman taking service shall *ipso facto* cease to be licensed.

54. Licenses shall remain in force for one year only, but may be renewed, and shall be issued and renewed on the payment of such fees as the Committee, with the previous sanction of the Commissioner, may from time to time prescribe.

*Duration of license.*

55. Unless and until another scale of fees is prescribed, the following fees shall be charged :—

*Scale of fees.*

For each broker, Rs. 20 per annum.

For each weighman, *Nil*.

56. No person shall, in the absence of express agreement, be bounded to employ a broker or weighman in any transaction, or be required to pay for a broker or weighman employed by any other party to the transaction or to pay for a broker or weighman when none is employed.

*Employment of broker or weighman not compulsory.*

57. The following fees may be demanded by a licensed broker on account of his services when employed from the person employing him :—

*Fees payable to licensed broker.*

(a) In respect of services rendered to a purchaser, a fee not exceeding four annas three pies per *bhoja* of ginned cotton or *khandi* of unginned cotton ;

(b) In respect of services rendered to a seller, a fee not exceeding four annas three pies per *bhoja* of ginned cotton or *khandi* of unginned cotton :

Provided that in case the same broker is employed by both parties, the licensed broker shall not demand more than four annas three pies per *bhoja* of ginned cotton or *khandi* of unginned cotton, as the case may be.

58. The following fees may be demanded by a licensed weighman on account of his services when employed from the person employing him :—

*Fees payable to licensed weighman.*

(a) In respect of services rendered to a purchaser, one anna six pies per *bhoja* of ginned cotton or *khandi* of unginned cotton ;

(b) In respect of services, rendered to a seller, one anna six pies per *bhoja* of ginned cotton or *khandi* of unginned cotton :

Provided that in case the same licensed weighman is employed by both parties, the licensed weighman shall not demand more than two annas three pies per *bhoja* of ginned cotton or *khandi* of unginned cotton, as the case may be.

59. If both parties employ the licensed broker or weighman, the fees of the broker or weighman shall, in the absence of express agreement, be payable half by the buyer or half by the seller.

*Fees to be paid in moieties by buyer and seller when both parties employ the same licensed broker or weighman.*

60. Every licensed weighman when plying his trade shall wear a distinguishing badge of a suitable pattern to be provided by the Committee.  
*Licensed broker and weighman to wear a distinguishing badge.*

61. Any person practising in the market as a broker or weighman without a license or any weighman plying his trade without a badge shall be liable on conviction to a fine not exceeding Rs. 50.  
*Penalties for plying trade without license or badge.*

62. Servants and agents employed to purchase or sell or to bargain for cotton on account of others, whether remunerated by fees or not, are not brokers within the meaning of the term as used in these rules, provided that they are employed by one person or by one firm only, and that they do not obtain or demand fees from any other person except the one person or firm that employs them.  
*Servants and agents employed to purchase or sell not brokers within the rules.*

63. Servants and agents employed to weigh cotton by a single firm or individual, howsoever remunerated, are not weighmen within the meaning of the term as used in these rules so long as they weigh for and under the orders of that firm or individual alone and do not receive or demand fees from any person other than the firm or individual by whom they are solely employed.  
*Servants and agents employed by a single firm or individual to weigh cotton not weighmen within the rules.*

64. No license shall be granted to any person who is employed to purchase or to sell for, or to bargain for, or to weigh for, any firm or individual, and any licensee taking or agreeing to take such employment shall cease to be a licensed broker or weighman, as the case may be.  
*License not to be granted to any person employed either as broker or weighman by a single firm or individual.*

65. Any licensed broker or any licensed weighman who shall demand, receive, or retain, or shall allow any other person to demand, receive, or retain, on account of, or under the colour of, fees due in respect of his service, any sum not demandable under these rules, or a larger sum than is demandable under these rules or from a person who is not liable to pay under these rules, and any person, who, not being a licensed broker or weighman, shall demand, receive, or retain, or facilitate the demanding, receiving, or retaining of such sums, shall be liable on conviction to a fine not exceeding Rs. 50.  
*Penalties to licensed broker or weighman for demanding or receiving any sum not authorized by these rules.*

66. Every broker and every weighman licensed under these rules shall keep such books in such form and render such daily and monthly returns at such time and in such form as the Deputy Commissioner or the Committee shall from time to time prescribe, and shall render such assistance in the collection of duties and in the prevention of the evasion of duty and breach of the rules as may be required by the Committee.  
*Books to be kept by licensed brokers and weighmen.*

*The regulation of weights and their inspection and confiscation.*

67. The following descriptions of weights shall alone be used for the weighment of cotton in bulk in the market :—

- (a) 7 maund weight of 196 lbs. (Avoirdupois).
- (b) 4 maund weight of 112 lbs. (Avoirdupois).
- (c) 2 maund weight of 56 lbs. (Avoirdupois).
- (d) 1 maund weight of 28 lbs. (Avoirdupois).
- (e) 2 dhara weight of 14 lbs. (Avoirdupois).
- (f) 1 dhara weight of 7 lbs. (Avoirdupois).
- (g) 4 lb. weight of 4 lbs. (Avoirdupois).
- (h) 2 lb. weight of 2 lbs. (Avoirdupois).
- (i) 1 lb. weight of 1 lb. (Avoirdupois).
- (j) Chain weighing 10 lbs. (Avoirdupois).

\* 67-A. A weight equivalent to the weight of the rope which is used to suspend a bundle of cotton (*docra*) on the weighing side of the scales shall be added to the weight side of the scales, in order to counterbalance the weight of the rope attached to the weighing side of the beam.

68. Weights of the above description and weight are authorized. All weights intended to be used for, or capable of being used for, the weighment of cotton in bulk which do not answer one of the above descriptions are unauthorized.

69. The Chairman, every member of the Committee, and every employee of the Committee authorized by the Committee in this behalf shall be entitled, at any time and without notice, to inspect, examine, and test any scale or weight used, kept, or possessed in any open place within the limits of the market.

70. Every registered buyer, every registered seller, every registered buyer and seller, and every trader in cotton residing or trading within the limits of the market, shall, on a requisition in writing being made to him by the Chairman or by any two members of the Committee, immediately produce for examination all and every scale and weight used, kept, or possessed by him, or by any person or persons under his authority or control, and shall allow the said Chairman or the said two members to inspect, examine, and test the same.

71. Every scale found on examination to be untrue and every weight found on examination to be unauthorized or incorrect shall be forthwith forwarded with a report in such form as the Deputy Commissioner may from time to time prescribe, to such Magistrate as the Deputy Commissioner may from time to time

---

\* Residency Orders Notification No. 47, dated the 13th February, 1900.

appoint, and the Magistrate shall order the confiscation and destruction of such scales or weights, or make such other order in the matter, as may appear proper.

72. Whoever being bound under the provisions of rule 70 to produce any scale or weight for examination, or to allow the examination, inspection, or testing of any scale or weight, does not immediately produce the scale or weight, or does not allow the examination, inspection, or testing of the scale or weight, shall be liable on conviction to a fine not exceeding Rs. 50.

*Penalties for disobedience of order to produce any weight or scale for examination.*

73. Whoever being a licensed broker or a licensed weighman, or a registered buyer or a registered seller, or registered buyer and seller, or a trader in cotton, shall have in his possession, keep, or use any scale or weight which is false, incorrect, or unauthorized, shall be liable on conviction to a fine not exceeding Rs. 50.

*Penalties for possessing or using incorrect scale or weight.*

74. A conviction under rules 72 and 73 shall not bar a prosecution under the Indian Penal Code or under any other law by which the offender may be liable to punishment in respect of the same.

*Conviction not to bar prosecution under other laws.*

*General.*

75. The Committee may, subject always to the sanction of the Deputy Commissioner, make subsidiary rules not inconsistent with these rules as may appear advisable. In the event of their suggesting any alteration in these rules, the suggestion shall be forwarded to the Deputy Commissioner, and, if the market or bazaar is situate within the municipal limits, through the office of the Municipal Committee, and the Municipal Committee shall be entitled to make such observations in regard to the proposals as may to them appear proper.

*Power of Committee to make subsidiary rules and procedure in case of suggested amendment of rules.*

76. No licensed broker, licensed weighman, registered buyer, registered seller, or registered buyer and seller, and no trader in cotton, shall be allowed to demand, take, or retain a trade allowance or unpaid-for sample in regard to any cotton transaction entered into in the market, and any person demanding, taking, or retaining such allowance or unpaid-for sample, or assisting or abetting any other person in demanding, taking, or retaining such trade allowance or unpaid-for sample, or in any way facilitating or conniving at the demanding, taking, or retaining of such trade allowance or unpaid-for sample, shall be liable on conviction to a fine not exceeding Rs. 50 for each offence.

*Trade allowances.*

77. A sample which it is intended to pay for on weighment is not an unpaid-for sample. The question whether it is intended to pay for it on weighment or not is a question of fact to be

*Samples.*

decided by the Magistrate.

78. A maund means 28 lbs. of unginned or ginned cotton or cotton seed. A *bhoja* means 392 lbs. (avoirdupois) of ginned cotton, and a *khandi* means 784 lbs. (avoirdupois) of unginned cotton or cotton seed.

79. The Committee shall keep a set of authorized weights, which shall be at all times available to the public for comparison with their own weights at all reasonable hours.

*A set of authorized weights to be kept by the Committee.*

80. No prosecution shall be instituted for any breach of any of these rules without the previous sanction of the Committee or of the Chairman or other officer authorized by the Committee in this behalf. No prosecution shall be instituted against a registered seller, or against a registered buyer or registered buyer and seller, until he has been given an opportunity of explaining his conduct, and then only under the special orders of the Committee passed at a special meeting of which notice shall be given to all the members.

*Prosecution not to be instituted without previous sanction.*

81. Notwithstanding anything contained in rule 77, a prosecution for any offence under these rules may at any time be instituted by the Deputy Commissioner.

*Powers of Deputy Commissioner to institute prosecutions.*

(By order),

C. H. A. HILL,

*Secretary for Berar.*

## APPENDIX I.

Agreement to be executed by an *Adatya* under Rule 50 of the Rules under the Berar Cotton and Grain Markets Law.

No.

I....., son of.....manager or owner of.....inhabitant of Khamgaon, Taluq Khamgaon, District Buldana, do hereby agree under the Proviso to Rule 50 of the Rules framed, under Section 4 of the Berar Cotton and Grain Markets Law, 1897, to conform to the Market law and rules which have already been framed or which may hereafter be framed under the said law either by the Government or by the Committee.

2. I agree to keep regular and accurate accounts of all dealings which will give the following details of each transaction. (1) Name of seller. (2) Name of buyer. (3) Total weight of cotton. (4) Rate at which sold. (5) Total value of cotton sold. (6) Details of expenses and other charges. Such accounts will be liable to inspection in case of any complaint or other demand for good reasons to be recorded in writing made at any reasonable time by the Chairman of the Cotton Market Committee or any other person specially nominated by him in his behalf or by such other person not below the rank of extra Assistant Commissioner as may be appointed for the purpose by the Deputy Commissioner.

3. I agree to charge *adat* or commission on the value of ginned or unginned cotton at the rates fixed by the Committee which shall not exceed one per cent. from seller or buyer or from both provided that where both seller and buyer employ my service I agree to charge *adat* or commission at the prescribed rates not exceeding one per cent. in the aggregate exclusive of other necessary expenses, and of such charges as may be authorized by Committee.

4. I agree not to engage in my private service any licensed broker or any licensed weighman.

5. I will engage up to three persons to assist me in the Market Yard after registering their names and I shall be held responsible for them.

6. I shall furnish to every seller employing me a statement giving the following details.

1. Name of seller.
2. Name of buyer.
3. Total weight of cotton.
4. Rate at which sold.
5. Total value of cotton sold.
6. Details of expenses and other charges.

7. I shall not purchase either in my own name or in the name of another or in name jointly of myself and another or others, entirely on my own account or partially on my own account and that of another or others, any cotton in respect of which I have been employed as an *Adatya*.

Provided that when a sale to a purchaser has failed and a resale cannot be effected before 2 p.m. and the seller insists on resale, I may be permitted to purchase the cotton as a special case in which case I will report all the facts in detail to the Chairman of the Committee at the earliest possible opportunity stating the original price offered by the intending purchaser for the cotton, the reduction in the price of allowance when he claimed and the price at which the purchase was made by me.

8. I shall be liable under Rule 51 of the Cotton Market Rules if I violate any of the above conditions.

9. This agreement will be in force till 30th September 192 .



Dated Khamgaon 192

Witness :

*Aditya.*

(1)

(2)

Signed before me and registration fee Rs. paid only.

Dated Khamgaon 192 .

Chairman,  
Cotton Market Committee at  
Khamgaon.

## APPENDIX J.

### BOMBAY COTTON MARKETS ACT.

BOMBAY ACT No. XVII OF 1927.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT AND THE BETTER REGULATION  
OF COTTON MARKETS IN THE BOMBAY PRESIDENCY.

WHEREAS it is expedient to provide for the establishment of recognized open markets for the purchase and sale of cotton in the Bombay Presidency, excluding the City of Bombay, Aden and the town of Karachi, and for the better regulation of such markets; And Whereas the previous sanction of the Governor-General required by Section 80-A of the Government of India Act and the previous sanction of the Governor required by Section 80-C of the said Act have been obtained for the passing of this Act ; It is hereby enacted as follows :—

- |              |  |
|--------------|--|
| Short title. | 1. This Act may be called the Bombay Cotton Markets Act, 1927.   |
| Extent.      | 2. This Act shall apply to the whole of the Presidency of Bombay except the City of Bombay, Aden and the town of Karachi comprising, as from time to time constituted, the municipal district of Karachi, the Port of Karachi and the Cantonments of Karachi and Manora. |
| Definitions. | 3. In this Act, unless there is anything repugnant in the subject or context :—<br><br>(i) 'Cotton.'—"Cotton" includes ginned cotton and unginned Cotton.<br>(ii) 'Cotton Market.'—"Cotton market" means a market established under Section 4.                           |

(iii) *Grower of cotton.*—"A grower of cotton" shall not include a dealer or broker in cotton, although such a person may grow cotton. If a question arises whether any person is a grower of cotton or not for the purpose of this Act, the decision of the Collector of the district in which the person permanently resides shall be final.

(iv) *'Prescribed.'*—"Prescribed" means prescribed by rules or bye-laws made under this Act.

4. (1) The local Government may, after consulting the District Local Board and such other local authorities as they deem necessary or upon a representation made by the District Local Board, by notification in the *Bombay Government Gazette*, declare that any place shall be a cotton market established under this Act.

(2) Every such notification shall define the limits of the cotton market so established, and may, for the purposes of this Act, include within such limits such local area as the local Government may prescribe.

5. For every cotton market there shall be a market committee. The market committee shall be constituted as prescribed and shall consist of not less than twelve and not more than sixteen members. Of these not less than half shall be persons elected by the growers of cotton of such area as the local Government may prescribe, one shall be a member nominated by the local Government, one shall be elected by the District Local Board of the district in which the cotton market is situated, one by the municipality, if any, of the area in which the market is situated, and the remainder shall be elected by the traders in the cotton market in such manner as may be prescribed.

6. (1) The local Government may, either generally, or specially for any cotton market or group of such cotton markets, make rules consistent with this Act for the purpose of the management and regulation of such cotton markets under this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for or regulate:—

- (i) the election and nomination of members of the market committee, the number of members to be elected by each of the bodies or groups of individuals referred to in Section 5, and the manner of election, the preparation and revision of lists of voters from time to time, the payment of all expenditure in connection with or incidental to such election and the term of office of such members;
- (ii) the powers to be exercised by the cotton market committee;
- (iii) the election of the chairman of such committee and his term of office;
- (iv) the filling of casual vacancies in the offices of members or in the office of chairman of the market committee;

- (v) the management of the cotton market and the prescribing of fees by the market committee, and, subject to the provisions of this Act, the collection and disposal of such fees ;
- (vi) the issue by the market committee of licenses to brokers, weighmen, measurers, surveyors and warehousemen and other persons using the cotton market, the form in which, and the conditions under which, such licenses shall be issued, and the fees to be charged for such licenses;
- (vii) the place or places at which cotton shall be weighed or measured, and the kind and description of the scales, weights, and measures to be used at such place or places ;
- (viii) the periodical inspection, verification and correction of all scales, weights and measures in use in the cotton market ;
- (ix) the trade allowances which may be made or received by any person in any transaction in a cotton market ;
- (x) the preparation of plans and estimates for works proposed to be constructed partly or wholly at the expense of the market committee and the grant of sanction to such plans and estimates ;
- (xi) the form in which the accounts of the market committee shall be kept, the manner in which they shall be audited, and the time or times at which they shall be published ;
- (xii) the preparation of an annual budget and its submission for sanction, and the reports and returns which shall be furnished by the market committee ;
- (xiii) the disposal of any surplus funds of the market committee ;
- (xiv) generally for the guidance of the market committee.

(3) Any such rules may, when necessary, provide that any contravention thereof or of any of the conditions of any license issued thereunder shall on conviction by a magistrate be punishable with fine which may extend to five hundred rupees.

(4) All rules made under this section shall be subject to previous publication and shall, when made, be laid on the table of the Bombay Legislative Council for one month previous to the next session thereof and shall be liable to be rescinded or modified by a motion of the said Council tabled at the next session.

7. Subject to any rules made by the local Government under the last preceding section and with the previous sanction of the Commissioner, the market committee may, in respect of the cotton market under its management, make by-laws for the regulation of the business and the conditions of trading in such market and may provide that contravention thereof shall on conviction by a magistrate be punishable with fine which may extend to fifty rupees.

8. The market committee may appoint one or more of its members to be a sub-committee or to be a joint committee for the conduct of any work or works or to report on any matter or matters, and may delegate to any one or more of its members such of its own powers as may be necessary.

9. (1) The market committee may employ such officers and servants as may be necessary for the management of the cotton market and may pay such officers and servants such salaries as the committee thinks fit. The committee may, in the case of any officer or servant of Government which it employs, pay such pension contribution, gratuity or leave allowance as may be required by the regulations made by Government in this behalf and for the time being in force.

(2) The committee may also, in the case of any of its officers and servants, provide for the payment to them of such leave allowances, pensions or gratuities as it deems proper; and may contribute to any provident fund which may be established for the benefit of such officers and servants.

(3) The powers conferred by this section on the market committee shall be exercised subject to any rules which may be made in this behalf by the local Government.

10. (1) Every contract entered into by the market committee shall be in writing and shall be signed on behalf of the market committee by the chairman and two other members of the market committee.

(2) No contract other than a contract executed as provided in subsection (1) shall be binding on a market committee.

11. All monies received by a market committee shall be paid into a fund to be called the "Market Committee Fund" and all expenditure incurred by the market committee under or for the purposes of this Act shall be defrayed out of the said fund; and any surplus remaining after such expenditure has been met shall be invested as may be prescribed in the rules made in this behalf.

12. Subject to the provisions of Section 11 the market committee fund shall be expended for the following purposes only :—

- (i) the maintenance and improvement of the cotton market ;
- (ii) the construction and repair of buildings which are necessary for the purposes of such market and for the health, convenience and safety of the persons using it ;
- (iii) the pay, pensions, leave allowances, gratuities and pensions or provident fund contributions of the officers and servants employed by the market committee ; and
- (iv) the expenses of and incidental to elections.

13. No trade allowance, other than an allowance prescribed by rules or by-laws made under this Act, shall be made or received by any person in any transaction in a cotton market established under this Act, and no Civil Court shall, in any suit or proceeding arising out of any transaction in any such cotton market, have regard to any trade allowance not so prescribed.

*Explanation.*—Every deduction, other than deductions on account of deviation from sample, when the purchase is made by sample, or of deviation from standard, when the purchase is made by reference to a known standard, or on account of difference between the actual weight of the sacking and the standard weight, or on account of the admixture of foreign matter, shall be regarded as a trade allowance for the purposes of this Act.

14. Every market committee shall be a body corporate by the name of "The Market Committee of....." and shall have perpetual succession and a common seal, and may sue and be sued in its corporate name, and shall be competent to acquire and hold property both moveable and immoveable, to lease, sell or otherwise transfer any moveable or immoveable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purpose of this Act.

15. (1) Every market committee may, with the previous sanction of the local Government, raise the money required for carrying out the purposes of this Act on the security of any property vested in and belonging to the market committee, and of any fees leviable by the market committee under this Act.

(2) The conditions under which such money shall be raised and the time within which the same shall be repayable shall be subject to the previous sanction of the local Government.

16. (1) If in the opinion of the local Government a market committee is not competent to perform, or persistently makes default in the performance of, the duties imposed on it by or under this Act, or exceeds or abuses its powers, the local Government may, by an order published in the *Bombay Government Gazette*, declare such market committee to be incompetent, or in default, or to have exceeded or abused its powers, as the case may be, and may supersede it.

(2) When a market committee has been superseded, all members of the committee shall, as from the date of the order, vacate their offices as members.

(3) When a market committee has been superseded, all property and rights vested in it shall, subject to all charges and liabilities affecting the same, vest in Government.

Provided that if no new market committee is constituted for the cotton market under Section 5, all property that shall remain after the satisfaction of all the debts and liabilities of the superseded market committee shall

vest in the local authority of the area in which the cotton market is situated for the purpose of any object of public utility in the said area.

17. Wherever the local Government has, by a notification under Section 4, declared any place to be a cotton market, no person shall, within the limits of such cotton market or within a distance thereof to be notified in the *Bombay Government Gazette* in this behalf in each case by the local Government, except with the sanction in writing of the local Government expressed over the signature of a Secretary to Government and subject to such conditions as may be imposed in such sanction, set up, establish or continue or allow to be continued any market for the purpose of the purchase and sale of cotton.

*Explanation.*—A person shall not be deemed to set up, establish or continue or allow to be continued a place as a market for the purpose of the purchase and sale of cotton if he sells his own cotton outside the premises set apart by the market committee for the purpose of purchase and sale of cotton.

18. Whoever in contravention of this Act sets up, establishes, continues or allows to be continued any market for the purpose of the purchase and sale of cotton, or violates the conditions under which he has been allowed to set up, establish or continue, any such market, shall on conviction by a magistrate be punished with fine which may extend to Rs. 500, and, in case of a continuing breach of the provisions of Section 17, with fine which may extend to Rs. 100 for each day after the first during which the breach continues.

19. No offence under this Act or under any rule made under Section 6 or under any by-law made under Section 7 shall be triable only by a First Class Magistrate. triable by a magistrate other than a magistrate of the First Class.

All fines and damages recovered from an offender shall be paid to the market committee.

Prosecutions under this Act may be instituted by any person duly authorized in writing by the market committee in this behalf.

## APPENDIX K.

DRAFT RULES UNDER SECTION 4 OF THE PROPOSED  
BOMBAY (DISTRICT) COTTON MARKETS ACT.RULES AS AMENDED IN LOCAL SUB-COMMITTEE ON  
JULY 16TH, 1923.Number of corresponding \* Berar  
Rule and remarks on differences.

Rules 1 and 2.

I. Except where otherwise provided by the notification under section 3 of the Act, the Market Committee shall be appointed as follows:—

Appointment of the Market Committee.

We propose to provide for the constitution of the Market Committee in the Act itself: the rules need only deal therefore with the method of appointment.

(a) Representatives of the Cotton trade shall be elected by the cotton trade electorate as defined in Rule 2.

(b) Representatives of cotton growers for a period of two years from the first notification of any market shall be nominated by the Local Government and thereafter shall be elected by the cotton growers of the area served by the market in such manner as may be prescribed.

(c) The official member shall be nominated by the Local Government.

(d) If the market be situated within Municipal limits a member of the Market Committee shall be nominated by the Municipal Board otherwise a member shall be nominated by the District or Taluqa Local Board as the Local Government may direct.

Rules 2 to 8 replace Berar  
Rules 3 to 9.

2. The following persons shall form the cotton trade electorate and shall be qualified to serve on the market committee:—

(1) Every person who on his own account, or on account of the undivided Hindu family of which he is the Manager, has in the financial year next preceding purchased or sold in the market not less than 100 *khandis* of ginned cotton or 300 *khandis* of unginned cotton or the equivalent.

Note.—*Khandi* is defined in Rule 42.

\*See Indian Cotton Committee Report Appendix VI (pages 178-189 of foolscap edition).

Number of corresponding Berar  
Rule and remarks on differences.

(2) The principal agent, or, if the principal agent is otherwise disqualified the next senior agent or servant, of every firm or company which has in the year next preceding the year in which the appointment is made, purchased or sold in the market, (as evidenced by the market registers) not less than 500 *khandis* of ginned cotton or not less than 1,500 *khandis* of unginned cotton or the equivalent.

(3) A general commission agent who has in the year last preceding the year in which the appointment is made, purchased or sold in the market as evidenced by the market registers, not less than 500 Bombay *khandis* of ginned cotton or not less than 1,500 Bombay *khandis* of unginned cotton or the equivalent.

Provided always: that no person shall be eligible who—

- (a) does not reside within 10 miles of the town or Municipality in which the market is situated ;
- (b) is a female, is not 21 years of age, is of unsound mind, or is affected with incurable disease ;
- (c) has been declared an insolvent, or has been convicted of such offence, or has been subjected by a Criminal Court to such order as implies, in the opinion of the District Magistrate, a defect in character which unfits him to serve as a member of the Committee ;
- (d) is a clerk or servant of the Committee or is a licensed weighman; or
- (e) has directly or indirectly any share or interest in any contract or employment with or on behalf of, or under, the Committee ;
- (f) being a cotton trader has not registered his name under rule 19.

3. When a market is first notified under section 3 of the Act, the Collector of the district shall cause to be prepared a list of persons who appear to be qualified under rule 2



Number of corresponding Berar  
Rule and remarks on differences.

and these persons shall form the first trade electorate. For elections subsequent to the first the Market Committee shall cause such a list to be prepared from the market registers and shall furnish such list to the Collector of the district. The Collector of the district shall hear and dispose of applications for inclusion in the list of electors and objections to the inclusion of any name or names in that list and his decision shall be final.

4. The Collector of the district shall cause the lists of electors to be published in such manner as may be necessary on the (1st April) in each year and shall fix a date for the election of the Market Committee which shall not be later than the (1st August) in each year. The Collector or person duly authorised by him in writing shall make such arrangement as may be necessary for the holding and supervision of the election, for the scrutiny of the ballot and for declaration of the results of the election. The names of the Market Committee including nominated members for the current year shall be published in the *Bombay Government Gazette*.

5. The Market Committee shall come into office on the 1st day of September in each year and shall hold office until 31st August in the following year. A member elected to fill a casual vacancy or members who form the first Market Committee of a newly notified market shall come into office on the date on which his or their name (s) are published in the *Bombay Government Gazette*.

6. If a casual vacancy amongst the elected members in the Market Committee occurs owing to a member having died, resigned or become ineligible for office, the Committee shall appoint a qualified person from the electorate by whom the vacating member was elected to hold office until the end of the year.

The Berar rule provides powers to either supersede the Committee or remove a member.

7. The Local Government may in case of mismanagement supersede a Market Committee and either order a new election or make such arrangement for the carrying out of the functions of the Committee as they may think fit.

Number of corresponding Berar  
Rule and remarks on differences.

*Cf.* Berar Rule 10.

8. The Committee shall, so far as the funds at its disposal will permit, but subject to the provisions of these rules, provide (1) for the maintenance and improvement of the market, its surroundings and approaches; (2) for the construction and repair of buildings, *chabutras*, and other erections necessary for the purpose of the market; and (3) for the health, convenience, and safety of the persons using the market.

*Note.*—Berar rule 11 is unnecessary in view of Section 5 of the Act.

9. The Committee may also appoint two or more of its members to be a Sub-Committee or to be a joint committee for the conduct of any work or works or to report on any matter or matters and may delegate to any one or more of its members such of its own powers as may be necessary.

10. The Committee shall elect one of their members to be Chairman. He shall conduct all correspondence. All contracts shall be entered into in his name, and the servants of the Committee shall, subject to these rules and to the orders of the Committee, be subject to his control. He shall be responsible for the keeping of accounts, for the punctual rendering of all reports and returns, and for the custody of all monies not deposited in the treasury or with a banker, and shall be the chief executive officer of the Committee.

*Cf.* Berar Rule 13.

Berar Rules 14-33 deal with routine matters not necessary to an understanding of the Bill. These can be drafted later.

*Cf.* Berar Rule 39.

In Berar the uniform rates are fixed by rule. In Bombay uniform rates are probably impossible.

11. Fees shall be levied in the market at such rates as the Market Committee may fix by rule under Section 5 of the Act :—

(1) On every package of ginned cotton or cotton waste.

(2) On every cart laden with unginned cotton or on every package of unginned cotton.

Number of corresponding Berar  
Rule and remarks on differ-  
ences.

- |  |   |
|--|---|
| Same as Berar Rule 40.   | 12. The fees shall be payable as soon as the cotton is brought into the market but unless there is reason to fear that the duty will be evaded, it shall not be recovered till the cotton is after sale removed from the market yard.   |
| Same as Berar Rule 41.   | 13. A receipt shall be granted to the payer in respect of every fee collected under these rules, and a register of collections shall be kept.<br>Receipts to be granted and register of collections to be kept.   |
| Same as Berar Rule 42.   | 14. The fees shall be collected by paid servants of the Committee, and shall not be farmed out.<br>Fees to be collected by paid servants.   |
| Same as Berar Rule 43.   | 15. Every servant employed by the Committee for the collection of fees shall wear a suitable badge of office provided by the Committee.<br>Servants employed on the collection of fees to wear badges.  |
| Same as Berar Rule 44.   | 16. Any person removing or attempting to remove cotton from the market yard before the fee has been paid and the receipt prepared and granted, or practising any device in order to evade or facilitate the evasion of the payment of the fee, shall be liable to a fine not exceeding Rs. 50.<br>Penalty for evasion of payment of the fees. |
| Cf. Berar Rules 46 to 48.<br>The market is defined in Section 2 of the Bombay Bill and the rules much simplified in consequence. | 17. The Market Committee shall fix the hours during which the market shall be open for trading. No registered trader shall be excluded from the market during any time when it is open to the public.<br>Management of the Market.  |
| Same as Berar Rule 49.<br>See also section 4 (2) of the Bill.  | 18. Any person entering or attempting to enter the market yard when directed not to do so, or disobeying the directions of the Committee in regard to the places where carts laden with cotton may stand, or in re-<br>Penalty for disobedience of orders of Committee.   |

Number of corresponding  
Berar Rule and remarks on  
differences.

gard to the roads by which and in regard to the times at which they may proceed shall be liable on conviction to a penalty not exceeding Rs. 10 for the first offence and Rs. 50 for any subsequent offence.

*Cf.* Berar Rule 50.

The proposed rules leave the fixing of fees and form of agreement to the Market Committee and an attempt has been made to simplify the rules.

19. Any person shall on application at the office of the Committee be entitled to have his name immediately registered as a cotton trader on his executing an agreement, in such form as the Market Committee may prescribe, agreeing to conform with the market rules and on his paying such fee, if any, not exceeding Rs. 50 per annum as may be prescribed by bye-law.

*Explanation.*—The term 'cotton trader' includes a person buying or selling cotton as a principal or as the duly authorised agent of one or more firms or as a Commission Agent.

This corresponds to Berar Rule 51. The reference to the District Officer has in this case been retained as it appears necessary to provide for an appeal, otherwise the Market Committee might be involved in civil suits.

20. The Committee may remove from the register the name of any person registered as a trader who violates the conditions of his agreement, either permanently or for a fixed period not exceeding three months. In the event of there being a dispute as to whether the conditions of the agreement have been violated or not, the matter shall, after all the evidence on both sides has been recorded by the Chairman, be referred to the Collector of the district for decision. The Collector shall decide the question on a perusal of the papers either after hearing or without hearing the parties and his decision on that point shall be final. On the application of the Chairman, the Collector may depute any other officer to record the evidence. In the event of the Committee removing the name of any person permanently, the confirmation of the Collector shall be necessary.

*Cf.* Berar Rule 52.

21. No registered trader shall weigh for delivery any cotton purchased or sold by him with any scales except authorized scales, or with any weights or chains except autho-

Number of corresponding Berar  
Rule and remarks on differences.

rized weights and chains, and any registered trader evading or attempting to evade this rule shall be held to have violated the conditions of his agreement.

22. The Committee shall license such and so many persons as may from time to time appear proper to be licensed brokers and to be licensed weighmen, and the Committee may at any time withdraw any license granted by it.

*Cf.* Berar Rule 53.

Provided that no private servant shall be licensed as a broker or as a weighman, and that a licensed broker or weighman taking service shall *ipso facto* cease to be licensed. No unlicensed broker or weighman shall practise in the market.

*Cf.* Berar Rule 54.

23. Licenses shall remain in force for one year only, but may be renewed, and shall be issued and renewed on the payment of such fees as the Committee may prescribe by bye-law under section 5 of the Act.

*Cf.* Berar Rule 56.

(Berar Rule 55 does not seem necessary.)

24. No person shall in the absence of express agreement be bound to employ a broker in any transaction or be required to pay for a broker employed by any other party to the transaction or to pay for a broker when none is employed.

*Cf.* Berar Rule 57.

(It is proposed that the fixing of fees be left to the Market Committee.)

25. A licensed broker or weighman may demand on account of his services when employed from the person employing him such fees as may be fixed by the bye-laws of the market.

*Cf.* Berar Rule 59.

26. If both parties employ the same licensed broker or weighman, the fees of the broker or weighman shall, in the absence of express agreement, be payable half by the buyer and half by the seller.

As in Berar Rule 60.

27. Every licensed weighman when plying his trade shall wear a distinguishing badge of a suitable pattern to be provided by the Committee.

Licensed weighman to wear a badge.

Number of corresponding Berar  
Rule and remarks on differences.

As in Berar Rule 61.

28. Any person practising in the market as a broker or a weighman without a license or any weighman plying his trade without a badge shall be liable on conviction to a fine not exceeding Rs. 50.

Cf. Berar Rule 62.

29. Servants and agents employed to purchase or sell or to bargain for cotton on account of others, whether remunerated by fees or not, are not brokers within the meaning of the term as used in these rules, provided that they are employed by one person or by one firm only, and that they do not obtain or demand fees from any other person except the one person or firm that employs them. No buyer or seller or his servant or servants may solicit or receive any fees for brokerage or weighing charges on penalty of removal from the market register.

Differs from Berar Rule 63 which appears inconsistent with the objects in view.

30. All weighments in the market shall be carried out by licensed weighmen.

As in Berar Rule 65.

31. Any licensed broker or any licensed weighman who shall demand, receive or retain, or shall allow any other person to demand, receive or retain, on account of, or under the colour of, fees due in respect of his service, any sum not demandable under these rules or a larger sum than is demandable under these rules, or from a person who is not liable to pay under these rules, and any person who, not being a licensed broker or weighman, shall demand, receive or retain, or facilitate the demanding, receiving or retaining of such sums, shall be liable on conviction to a fine not exceeding Rs. 50.

Corresponds to Berar Rule 66.

32. Every broker and every weighman licensed under these rules shall keep such books in such form and render such daily and monthly returns at such a time and in such form as the Committee shall from time to time prescribe, and shall render such assistance in

Number of corresponding Berar  
Rule and remarks on differences.

the collection of dues and in the prevention of the evasion of duty and breach of the rules as may be required by the Committee.

Berar Rules 67, 67A and 68 provide for standard weights. It does not seem possible to standardize weights for the Bombay Presidency at present and the alternative is to provide for weights being fixed by bye-law.

33. Only those weights prescribed by law under section 5 of the Act shall be used for the weighment of cotton in the market. All other weights shall be unauthorised.

As in Berar Rule 69.

34. The Chairman, every member of the Committee, and every employee of the Committee authorized by the Committee in this behalf shall be entitled at any time and without notice, to inspect, examine, and test any scale or weight used, kept, or possessed in any open place within the limits of the market.

As in Berar Rule 70.

35. Every registered trader, and every trader in cotton residing or trading within the limits of the market shall on a requisition in writing being made to him by the Chairman or by any two members of the Committee, immediately produce for examination all and every such scale and weight used, kept or possessed by him, or by any person or persons under his authority or control, and shall allow the said Chairman or the said two members to inspect, examine and test the same.

As in Berar Rule 71.

36. If any scale be found on examination to be untrue or any weight found on examination to be unauthorized or incorrect a report shall be forthwith forwarded in such form as the Collector may from time to time prescribe to such Magistrate as the Collector may from time to time appoint, and the Magistrate shall order the confiscation and destruction of such scales or weights, or make such other order in the matter, as may appear proper.

Number of corresponding Berar  
Rule and remarks on differences.

As in Berar Rule 72.

37. Whoever being bound under the provisions of rule 35 to produce any scale or weight for examination, or to allow the examination, inspection, or testing of any scale or weight does not produce the scale or weight, or does not allow the examination, inspection, or testing of the scale or weight shall be liable on conviction to a fine not exceeding Rs. 50.

As in Berar Rule 73.

38. Whoever being a licensed broker or a licensed weighman or a trader in cotton, shall have in his possession, keep, or use any scale or weight which is false, incorrect or unauthorised, shall be liable on conviction to a fine not exceeding Rs. 50.

As in Berar Rule 74.

39. A conviction under rules 37 and 38 shall not bar a prosecution under the Indian Penal Code or under any other law by which the offender may be liable to punishment in respect of the same.

Cf. Berar Rule 76.

The difference is due to the fact that instead of trying to define illegitimate allowances in the Bill we have left it to the Market Committee to prescribe by bye-law what allowances are authorised.

40. No licensed broker, licensed weighman or trader (whether registered or not) shall be allowed to demand, take or retain any unauthorised trade allowance or any unpaid-for sample in regard to any cotton transaction entered into in the market, and any person demanding taking or retaining such allowance or unpaid-for sample, or assisting or abetting any other person in demanding, taking or retaining such trade allowance or unpaid-for sample or in any way facilitating or conniving at the demanding, taking or retaining of such trade allowance or unpaid-for sample, shall be liable on conviction to a fine not exceeding Rs. 50 for each offence.

*Explanation.*—An unauthorised trade allowance is any trade allowance not prescribed by rule under the Act.



Number of corresponding Berar  
Rule and remarks on differences.

As in Berar Rule 77.

41. A sample which it is intended to pay for on weighment is not an unpaid-for sample. The question whether it is intended to pay for it on weighment or not is a question of fact to be decided by the Magistrate.

Samples.

Cf. Berar Rule 78.

42. In these rules a *khandi* means 784 lbs. avoirdupois of unginned cotton or ginned cotton.

As in Berar Rule 79.

43. The Committee shall keep at least one set of authorised weights which shall be at all times available to the public for comparison with their own weights at all reasonable hours.

A set of authorised weights to be kept by the Committee.

As in Berar Rule 80.

44. No prosecution shall be instituted for any breach of any of these rules without the previous sanction of the Committee or of the Chairman or other officer authorised by the Committee in this behalf. No prosecution shall be instituted against a registered trader, until he has been given an opportunity of explaining his conduct and then only under the special orders of the Committee passed at a special meeting of which notice shall be given to all members, provided always that a prosecution for any offence under these rules may be instituted by the Collector of the District.

## APPENDIX L.

Forms of *Kapas* Contracts usually made in the Punjab.

### (A) "Fixed" contract.

Contract. No. 302.

20-2-1926.

Bought of Tulsi Das Karam Chand hereinafter called sellers by B.C.G.A. Punjab (Ltd.) Khanewal hereinafter called buyers, the following *Kuppas* :—

1. Quantity.—*Mds.* 270 say two hundred seventy *mds.* of 40½ *seers* nett.
2. Quality:—New *Kuppas* of the crop 1925-1926 production of 4-F pure II picking district free from foreign matter, damage or strain and in drv sound and merchantable condition.

3. Price.—Rupees thirteen annas three and pies nil *viz.*, Rs 13-3-0 per *maund* of 40½ *seers* nett.
4. Discount to buyers at 0-8-0 per cent Rupees.
5. Delivery.—The *Kuppas* to be weighed over and the delivery to be completed by the.....next at the buyers' factory at Khanewal in one or more tenders.
6. The *Kuppas* to contain.....*seers* cotton lint per *maund* This is to be either estimated or agreed upon or to be ascertained by actual test of the samples by a machine gin with mutual allowances for every one *seer* lint over or under this basis at Rs. per *maund* of *kuppas*; fraction in proportion.
- 7.—Terms of payment.—Cash after delivery and lint outturn being agreed upon as per clause 6, and account settled on completion of the full quantity contracted for.
8. If sellers shall commit a breach of any one or more of the provisions of this contract on their part to be performed and as a claim shall arise or be made by buyers for damage resulting from such breach, buyers shall be entitled to retain all moneys to the extent of their claim, which at the date of such breach or subsequently thereto may be or become payable by buyers to sellers under this or any other contract or transaction and on their claim to damages for such breach being ascertained by agreement award or judicial decision buyers shall be entitled to appropriate the moneys which shall have been so retained by them against the damages payable to them under any agreement award or decrees that may be made published or passed.
9. Should either party become insolvent or go into bankruptcy or into liquidation the other party shall notwithstanding any proceedings be entitled to immediately consider the incomplete portion of this contract cancelled at the day's rates (for ready if the time of delivery hereinbefore is already current of or for forward if the said delivery still be so).
10. Any addition or alteration in any language other than English is void.

*Sellers.*

*Buyers.*

for B. C. G. A. (Punjab) Ltd., Khanewal.

Brokers,

## (B) "Unfixed" contract.

Contract No. 108. Season 1926-27. Made at Khanewal.

Dated 15-12-1926.

Bought of Sujawal Lola hereinafter called Sellers, by B. C. G. A., (Punjab) Ltd. hereinafter called Buyers the following *Kappas* :—

1. Quantity :—*Mds.* 10, say, ten *maunds* of 40½ *seers*.
2. Quality :—Produce of crop 1926-27 M/S Pure II picking.
3. Delivery :—The sellers will give delivery at Khanewal, and complete this contract within a fortnight from the date of purchase.
4. Price :— The Price of this contract is left unfixed until the 15-3-27 and sellers have the option of fixing same on any day upto and inclusive of the above mentioned date. It is mutually agreed upon that the price to be fixed by the sellers will be the rate offered by buyers at the moment of settlement, irrespective of any other price offered at any other time by the buyers themselves or by any other parties. Should the sellers neglect or fail to fix a price as above, the buyers shall have the right to fix the price on the 15-3-27 at the rate at which they are buyers at the moment, and the price so fixed is final and binding on sellers. The buyers do not undertake to inform the sellers of such settlement if the sellers reside at a place where the buyers have no recognised Agency or S/Agency.
5. If the buyers have no buying order from the day on which this contract has been entered into upon and including 15-3-27 then the sellers agree that the buyers have the right to settle the rate price of this contract at the first rate at which subsequently to the date mentioned in this clause the buyers may be prepared to buy.
6. Part payment:—The buyers will pay to the sellers 75% of the actual value of the *kappas* taken delivery by them. This value to be computed at the rate at which buyers are prepared to buy on the day of delivery or at their option at any other rate.
7. The acceptance by the buyers of a quantity less than that contracted for shall not under any circumstances be taken to cancel the contract as to the balance to be delivered.
8. All other conditions as customary. Any addition or alteration in any language other than English is void.

Sellers.

Buyers.

for B. C. G. A. (Punjab) Ltd.

## APPENDIX M.

Customary Allowances and Charges at the Markets Investigated.

## CESSES AND FEES PAID BY COTTON SELLERS.

## BERAR.

Name of Market.	<i>Adat.</i>	Market Cess.	<i>Gorakshan.</i>	Charity.	Dispensary.	Weighing.	Hamal.	Toll Tax.	Total.
1	2	3	4	5	6	7	8	9	10
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Khamgaon .. ..	1 11 0	0 1 0	0 1 0	..	..	0 4 0	0 7 0	..	2 8 0
Shegaon .. ..	1 0 0	0 1 0	0 0 3	0 1 6	0 0 6	..	0 3 0	..	1 6 3
Yeotmal .. ..	0 12 0	0 1 0	..	0 2 0	..	0 2 0	0 0 6	..	1 1 6
Darwa .. ..	1 8 0	0 1 0	..	0 2 6	..	..	0 0 6	..	1 12 0
Akola .. ..	1 0 0	0 1 0	..	0 1 0	..	0 4 0	0 2 0	..	1 8 0
Balapur .. ..	2 0 0	0 1 0	..	0 1 6	..	0 4 0	0 3 6	0 4 0	2 14 0
Amraoti .. ..	1 2 0	0 1 0	..	0 1 6	..	0 1 6	0 3 0	..	1 9 0
Banosa .. ..	1 5 0	0 1 0	0 0 6	0 1 0	..	..	0 3 0	..	1 10 6

## NORTH GUJERAT.

	<i>Kapas.</i>	<i>Kallas.</i>
<i>Bavla</i> (1) <i>Dalaki</i> Rs.	0 1 6 per <i>Maund</i> .	Rs. 0 1 0 per <i>Md</i> .
(2) Weighing	0 2 0 per cart.	0 4 0 per cart.
(3) Heaping (labour)	0 2 0	0 4 0
(4) <i>Panjrapol</i>	0 2 0	0 2 0
(5) Charities	0 2 0	0 2 6
(6) Water	0 1 0	0 1 0

In addition 1% is deducted from price for ready money paid to the sellers.

<i>Viramgaon</i> (1) Brokerage	Rs. 1 0 0 per cart.
(2) Charity	0 4 0 „
(3) <i>Mahajan</i> Fund	0 6 0 „
(4) Weighing charge	0 14 0 per 100 <i>maunds</i> of bolls ( <i>Kallas</i> ).
(5) Labour charges	0 6 0 „ „
(6) Deduction for ready money	6% interest for 15 days.

## KHANDESH.

<i>Dhulia</i>	..	Actual <i>adat</i>	Rs. 1 5 9 per cart.	
		Cooly charges	0 4 0	„
		Weighing charges	0 4 0	„
		<i>Panjabol</i>	0 2 3	„
		Seller.		Buyer.
<i>Nandurbar</i>	..	<i>Adat</i>	8 annas per Rs. 100	12 as. per Rs. 100
		Market ground charge.	} 1 pice per cart.	
		<i>Hamali</i>	6 annas per <i>Khandi</i> .	4 as. per <i>Khandi</i> .
		<i>Panjabol</i>	3 annas per <i>Khandi</i> .	
		Weighman	.. ..	10 as. „
<i>Dondaicha</i>	..	Seller :— <i>Adat</i> —Re. 1 per centum of the sale proceeds.		
		<i>Hamali</i> —3 annas per cart.		
		<i>Bhat</i> (waterman)—1 anna per cart.		
		<i>Panjabol</i> and <i>Dharmao</i> —2 as. per cart.		
		Buyer :— Weighman—4 as. per cart.		
		Brokerage—6 as. per <i>pal'u</i> (120 seers lint).		
		Seller.		Buyer.
<i>Shahada</i>	..	<i>Adat</i>	12 as. per Rs. 100.	
		<i>Dharmao</i>	1 anna per cart.	
		<i>Panjabol</i>	3 pies per cart.	
		<i>Hamali</i>	3 annas per <i>Khandi</i> .	3 as. per <i>Khandi</i> .
		Weighing charges	4 annas per cart.	12 as. „ „
		Municipal fees	} 1 anna on ordinary days.	
			} 4 annas on bazar days.	
<i>Shirpur</i>	..	<i>Adat</i>	.. 8 as. to Re. 1 per cart.	
		<i>Dharmao</i>	2 as. per cart.	
		<i>Hamali</i>	4 as. „	
		“ <i>Muthi</i> ”	5 as. „	
		Market ground		
		Rent.	2 as. „	
		The Buyer has also to pay <i>Dalali</i> —8 annas per <i>Khandi</i> .		
		<i>Hamali</i> —5 annas per cart.		
<i>Jalgaon</i>	..	<i>Adat</i>	.. 6 as. per cart.	
		<i>Dharmao</i>	} .. 2½ as. „	
		&		
		<i>Panjabol</i>		
		Waterman		
		( <i>Bhat</i> ).	½ anna „	
		The Buyer also pays 6 annas per cart as brokerage.		

<i>Amalner</i>	.. Actual <i>adat</i>	Rs. 1 9 0 per cart.
	Coolie ..	0 2 6 ..
	<i>Dharmao</i> ..	0 4 6 ..
	" <i>Kasar</i> "	
	or discount ..	0 2 0 ..
	Ground Tax ..	0 2 0 ..
<i>Pachora</i>	.. <i>Adat</i> ..	0 8 0 per Rs. 100 of sale proceeds.
	Weighing and ground charges	0 2 0 per cart.
	<i>Dharmao</i> ..	0 0 6 ..
<i>Chalisgaon</i>	.. <i>Adat</i> ..	1 0 0 .. centum of sale proceeds.
	<i>Dharmao &amp; Panjrapol</i> ..	0 1 3 per cart.
	Temple (of Mahadeo) ..	0 1 0 ..
	<i>Hamali</i> ..	3 0 0 per 100 <i>maunds</i> .
	Municipality's ground charges	0 1 0 per cart.
<i>Malegaon</i>	.. <i>Adat</i> ..	1 0 0 .. centum of sale proceeds.
	Weighman ..	0 0 3 .. <i>maund</i> .
	Coolie ..	0 0 3
	<i>Dharmao &amp; Panjrapol</i> ..	0 0 6 ..
	Toll ..	0 1 0 .. cart.
	Octroi duty ..	0 8 0 .. <i>maund</i> taken by the Municipality.

## MIDDLE GUJERAT.

Customary Market Deductions made in each of the Markets investigated.

## Broach :—

<i>Broach</i>	.. Brokerage	Rs. 0 8 0 per <i>bhar</i> .
	<i>Dharmada</i>	
	or charity ..	0 2 0 ..
	<i>Inam</i> ..	0 2 0 ..
	<i>Mehta</i>	
	<i>Sukhadi</i> }	0 1 0 ..
	<i>Hamali</i> ..	0 3 0
	Sample of <i>kapas</i> . 1 to 2 lbs. per <i>bhar</i> .	
<i>Derol</i>	.. English School Fund ..	Re. 0 1 0 per <i>bhar</i> .
	<i>Mehta Sukhadi</i> ..	0 2 0 ..
	<i>Madressa Fund</i> ..	0 1 0 ..
	Sample of <i>kapas</i> —1 to 2 lbs. per <i>bhar</i> .	
<i>Palej</i>	.. <i>Mehta Sukhadi</i> ..	Re. 0 4 0 per cart.
	Sample <i>kapas</i> —1 to 2 lbs.	
	(Brokerage Re. 1 to Rs. 2 per <i>bhar</i> is paid by buyer to his <i>dalal</i> who has effected purchases in the village).	
<i>Amod</i>	.. English School Fund ..	Rs. 0 1 0 per <i>bhar</i> .
	<i>Mehta Sukhadi</i> ..	0 2 0 ..
	<i>Madressa Fund</i> ..	0 1 0 ..
	Sample of <i>kapas</i> 1 to 2 lbs. per <i>bhar</i> .	

<i>Jambusar—</i>		Brokerage	..Re.	0	8	0	per <i>bhar</i> .
		<i>Mehta Sukhadi</i>	..,,	0	2	0	,,
		Sample 1 lb. of <i>kapas</i> .					
<b>BARODA.</b>							
<i>Dabhoi</i>	..	<i>Panjabpol</i>	..Rs.	0	4	0	
		Insurance	..,,	0	4	0	per <i>bhar</i> .
		Discount	..,,	0	6	0	,, 100 rupees.
		Brokerage	..,,	1	0	0	,, <i>bhar</i> .
		Temple	..,,	0	0	6	
		<i>Muthi</i>	..,,	0	5	0	
		Sample <i>kapas</i> —3 lbs.					
<i>Bahadarpur</i>	..	Brokerage	..,,	0	8	0	per <i>bedia</i> of $1\frac{1}{4}$ <i>bhars</i> .
		Charity	..,,	0	5	0	,,
		Insurance	..,,	0	8	0	,, <i>bhar</i> .
		Discount	..,,	0	6	0	,, cent.
		<i>Muthi</i> or sample <i>kapas</i> —2 to 3 lbs.					
<i>Bodeli</i>	..	Charity	..Rs.	0	5	0	,, cart of $1\frac{1}{4}$ <i>bhars</i> .
		Brokerage	..,,	1	0	0	,,
		Insurance	..,,	0	8	0	,, <i>bhar</i> .
		Discount	..,,	0	6	0	,, cart.
		Sample <i>kapas</i> —2 to 3 lbs.					
<i>Samalaya</i>	..	<i>Mehta Sukhadi</i>	..,,	0	2	0	,, <i>bhar</i>
		(Re. 1/- is received by the seller from the buyer for certain village expenses.)					
<i>Bhatpur</i>	..	<i>Dharmada</i>	..Rs.	0	5	0	per cart of $1\frac{1}{2}$ <i>bhars</i> .
		<i>Muthi</i>	..,,	0	5	0	,,
		Insurance	..,,	0	8	0	,, <i>bhar</i> .
		Discount	..,,	0	6	0	,, cent.
		<i>Dalali</i>	..,,	1	0	0	,, cart of $1\frac{1}{2}$ <i>bhars</i> .
		Extra <i>Muthi</i> 2 to 3 lbs. per cart.					
<i>Jojawa</i>	..	<i>Darmada</i>	..Rs.	0	5	0	per cart.
		Insurance	..,,	0	4	0	,, <i>bhar</i> .
		Discount	..,,	0	6	0	,, cent.
		<i>Dalali</i>	..,,	0	8	0	,, <i>bhar</i> .
		<i>Muthi</i> —1 to 2 lbs. in <i>kapas</i> kind.					
<i>Itola</i>	..	<i>Metha Sukhadi</i>	—4 to 8 as. per cart-load ( $1\frac{1}{4}$ <i>bhars</i> ).				
		<i>Muthi</i> —1 to 2 lbs. of <i>kapas</i> .					
<i>Antoli</i>	..	<i>Dharmada</i>	..Rs.	0	5	0	per <i>bhar</i> .
		<i>Muthi</i>	..,,	0	5	0	,,
		Insurance	..,,	0	4	0	,,
		<i>Dalali</i>	..,,	0	8	0	,,
		Temple	..,,	0	0	6	,,
		Discount	..,,	0	6	0	per cent.
<i>Desar Road</i>		..	<i>Muthi</i> —1 to 2 lbs.				

## PANCH MAHALS.

<i>Godhra</i>	<i>Mehta Sukhadi</i>	..	Re	0	2	0	per <i>bhar</i> .
	<i>Dharmada</i> (temple)	..	„	0	4	0	„
<i>Halol</i>	Weighing	..	„	0	2	0	„
	<i>Hamali</i>	..	„	0	2	0	„
	<i>Sadavart</i> or charity	..	„	0	6	0	„
	Temple	..	„	0	4	6	„
	English School	..	„	0	1	6	„
	<i>Pathshala</i>	..	„	0	1	0	„
	Sample—1 to 2 lbs. <i>kapas</i> .						
<i>Champaner Rd.</i>	<i>Meha Sukhadi</i>	..	„	0	2	0	„

(Re. 1- is received by the seller from the buyer for certain village expenses.)

<i>Derol</i>	<i>Muthi</i> —1 to 2 lbs. per cart.	
	<i>Dharmada</i>	..Re. 0 4 0 per <i>bhar</i> .
<i>Timba Road</i>	<i>Muthi</i> —1 to 2 lbs. of <i>kapas</i> per cart.	
<i>Tulsigam</i>	<i>Muthi</i> —1 to 2 lbs. of <i>kapas</i>	„

## SIND.

*Dalali*— $\frac{1}{2}$  anna per *maund*.

*Dharmao*— $\frac{1}{4}$  anna per *maund*.

*Choongi* (to weighman)—2 lbs. per camel-load  
(=7 mds. or 604 lbs.)

## THE PUNJAB.

<i>Lyallpur</i>	Commission or <i>adat</i>	..from Re. 0 8 0 to 1 0 0 per cent.
	Labour and weighing charges	.. „ 0 5 0 to 0 12 6 „
	<i>Dharmao</i> , <i>Gowshala</i> or miscellaneous	.. „ 0 1 3 to 0 1 6 „
	<i>Karta</i>	.. Rs. 1 4 0 per cent or $\frac{1}{2}$ <i>seer</i> per <i>maund</i> .
	<i>Dalali</i>	.. „ 0 4 0 per cent.
	Labour per <i>maund</i>	.. „ 0 0 3 and per cart Re. 0 2 0.

Total Rs. 2-8-0 to Rs. 3-7-3 per cent.

Sample .. About 1 *seer* per cart.

*Changar* .. About 1 *seer* per cart or  
Re. 0-1-6 per cent.

A handful of *kapas* is given to each beggar.



<i>Chak Jhumra.</i>	Commission or <i>adat</i>	.. From Re. 0-12-0 to 1-0-0 per cent.
	Labour & weighing charges	.. 0-5-0 to 0-6-3 ,,
	<i>Dharmao, Gowshala</i> or	
	Miscellaneous	.. 0-0-3 to 0-1-3 ,,
	<i>Karta</i>	.. $\frac{1}{2}$ seer per maund.
	<i>Dalali</i>	.. Re. 0-1-3 per cent.
	Labour	.. 0-0-3 to 0-0-9 per <i>md.</i> for cartage, and 0-0-3 per <i>md.</i> or 0-4-0 per cart for unloading.
	Total	.. Rs. 2-3-6 to Rs. 2-9-9 per cent.
	<i>Changar</i> —1 seer to 2 seers or	Re. 0-1-3 per cent.
	A handful of <i>kapas</i> is given to each beggar.	
<i>Toba Tek Singh</i>	Commission or <i>adat</i>	.. Rs. 0-8-0 to 1-0-0 per cent.
	Labour & weighing charges	.. 0-12-0 to 0-15-0 ,,
	<i>Dharmao, Gowshala</i> or	
	Miscellaneous	.. 0-0-6 to 0-1-6 ,,
	<i>Karta</i>	.. $\frac{1}{4}$ seer per maund.
	Total	.. Rs. 2-8-6 to Rs. 3-4-6 per cent.
	Sample	.. $\frac{1}{2}$ <i>chhatak</i> per maund.
	<i>Changar</i>	.. $\frac{1}{2}$ to 1 <i>chhatak</i> per maund.
<i>Jaranwala</i>	Commission or <i>adat</i>	.. Rs. 0-8-0 to 1-0-0 per cent.
	Labour & weighing charges	.. 0-7-6 to 0-10-0 ,,
	<i>Dharmao, Gowshala</i> or	.. 0-0-3 to 0-1-6 ,,
	Miscellaneous.	
	<i>Karta</i>	.. 0-10-0 per cent.
	<i>Dalali &amp; Shagirdi</i>	.. 0-1-0 to 0-1-3 ,,
	Total	.. Rs. 1-10-9 to 2-6-9 ,,
	Sample and Gate entry about 2 seers.	
	<i>Changar</i> about 1 seer or Re. 0-1-6 per cent.	
	A handful of <i>kapas</i> is given to each beggar.	
<i>Rohtak</i>	.. Weighing charges $1\frac{1}{2}$ pies per maund or	Re. 0-1-0 % approximately.
	<i>Dharmao and Gowshala</i>	.. Re. 0-1-9 per cent.
	<i>Karta</i>	.. 6 <i>chhataks</i> per <i>md.</i> or Re. 0-15-0 per cent.
	Total	.. Rs. 1-1-9 per cent.
	Menials	.. about 2 seers.
	Allowances during weighment—About 1 seer per maund.	
<i>Sonepat</i>	.. Weighing charges $1\frac{1}{2}$ pies per maund or	Re. 0-1-0 % approximately.
	<i>Dharmao and Gowshala</i>	.. Re. 0-1-0 per cent.
	<i>Karta</i>	.. 4 <i>chattaks</i> per <i>md.</i> or Re. 0-10-0 per cent.
	Total	.. Re. 0-12-9 per cent.
	Menials	.. about $1\frac{1}{2}$ seers.
	Allowances during weighment—About 1 seer per maund.	

<i>Pattoki</i>	Commission or <i>adat</i>	..	Rs.	0	12	0	per cent.
	Weighman & <i>Dharmao</i>	..	..	0	11	3	..
	<i>Karta</i>	..	..	0	12	3	..
	Total	Rs.	2	3	6	..	..
	<i>Chungi</i> to menials	Re.	0	3	0	..	..
	Allowances during weighment	Re.	0-5-6	per cent.			
<i>Chunian</i>	.. Labourers & <i>Dharmao</i>	..	Rs.	0	9	3	per cent.
	<i>Karta</i>	..	..	0	9	0	..
	Total	..	..	1	2	3	..
	Brokerage and <i>Chungi</i> to sweeper, etc.	..	..	0	7	0	..
	Allowances during weigh- ment	..	..	0	1	0	..
<i>Kot Radha- Kishan</i>	Commission or <i>adat</i>	..	Rs.	1	7	0	per cent.
	Weighman	..	..	0	10	9	..
	<i>Karta</i>	..	..	0	10	9	..
	Total	..	..	2	12	6	..
	<i>Paledar</i>	..	..	0	5	3	..
<i>Khanewal</i>	<i>Adat</i> , weighing, charity, brokerage and cartage expenses to factory.	} Rs. 1-9-0 to 1-15-0 per cent.					
	<i>Karta</i>	..	Rs.	1-5-3	per cent.	or $\frac{1}{2}$ seer.	
					per <i>md.</i>	and $\frac{1}{2}$ <i>chh.</i>	per sample.
	<i>Chungi</i> to labourers at 1 <i>chh.</i> each or $\frac{1}{4}$ seer per <i>md.</i>						
	Average :—Rs. 2-7-3 per cent.						
<i>Mian Channu</i>	Commission or <i>adat</i>	..	Average Rs.	1-7-3	per cent.		
	Labour & weighing charges	..	Rs.	1-9-0 to 1-15-0	per cent.		
				plus 0-2-0 per <i>bora</i>	cartage		
				to factory.			
	<i>Karta</i>		$\frac{1}{2}$ seer sample; 5 seers per 100 <i>mds.</i> ; additional sample 1 seer per cart.				
	<i>Chungi</i> to labourers at 1 <i>chh.</i> each or $\frac{1}{4}$ seer per <i>maund.</i>						
	Average—Rs. 2-11-3 per cent.						
<i>Jahania</i>	Commission or <i>adat</i>	..	Average Rs.	1-7-0	per cent.		
	Labour & weighing charges	Rs.	1-0-0 to 1-15-0	per cent.			
			plus 0-2-0 per <i>bora</i>	cartage			
			to factory.				
	<i>Karta</i>	..	1 seer per <i>maund</i> —sample $\frac{1}{4}$ <i>chh.</i> per <i>maund.</i>				
	Average	..	Rs.	3-0-0	per cent.		

## MADRAS.

<i>Adoni</i>	..	<i>Katakaty</i>	..	6 <i>seers</i> per <i>borah</i> of <i>kapas</i> ; and 3 <i>seers</i> if of lint.
		<i>Pechu</i>	..	$\frac{3}{4}$ <i>seer</i> per <i>md.</i> (to allow for impurities)
		Samples	..	a few <i>seers</i> are sometimes taken.
		Weighing charges	..	1 to $1\frac{1}{4}$ anna per <i>borah</i> .
		<i>Dalali</i>	..	Re. 1 per-cart load of <i>kapas</i> ; Rs. 2 if of lint.
		<i>Dharma</i> or		
		Charity	..	$\frac{1}{2}$ to $\frac{3}{4}$ anna per <i>borah</i> ,
		Stamp	..	1 anna.
		<i>Vattam</i> (for encashing currency notes)	..	2 to 8 annas per Rs. 100.
		<i>Battara</i> or <i>bora</i> hire:	..	4 to 6 annas per <i>borah</i> .
		Insurance	..	2 annas per <i>borah</i> .
<i>Nandyal</i>	..	<i>Katakaty</i>	..	2 lbs. per <i>borah</i> (1 lb. if <i>borah</i> is less than 100 lbs.)
		Wastage in pressing	..	$6\frac{1}{4}$ lbs. per 400 lbs.
		(There are no customary market charges or levies in cash.)		



सत्यमेव जयते